

Stein David  
Form 4  
January 26, 2009

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Stein David

2. Issuer Name and Ticker or Trading Symbol  
China Direct, Inc. [CDII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
431 FAIRWAY DRIVE, SUITE 200  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
01/22/2009

\_\_\_\_ Director  10% Owner  
\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

DEERFIELD BEACH, FL 33441  
(City) (State) (Zip)

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount		
Common Stock, \$0.0001 par value per share	01/22/2009		S <sup>(1)</sup>		2,800	D	\$ 1.3661 1,998,000
Common Stock, \$0.0001 par value per share	01/23/2009		S <sup>(1)</sup>		200	D	\$ 1.35 1,997,800
Common Stock,	01/26/2009		S <sup>(1)</sup>		4,800	D	\$ 1.4002 1,992,800

\$0.0001  
par value  
per share

Common  
Stock,

\$0.0001 01/26/2009 X<sup>(2)</sup> 200,000 A \$ 0.01 2,192,200 D  
par value  
per share

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Number of Shares
Employee Stock Option (right to buy)	\$ 0.01	01/26/2009		X <sup>(2)</sup>	200,000	06/01/2005 02/01/2010	Common Stock	200,000	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Stein David 431 FAIRWAY DRIVE, SUITE 200 DEERFIELD BEACH, FL 33441			X	

## Signatures

David Stein 01/26/2009  
 \*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Transactions were made pursuant to a duly adopted trading plan under Rule 10b5-1.
- (2) Stock options were awarded to reporting person on June 1, 2005.
- (3) Employee stock option award.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
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