

Stein David  
Form 4  
December 12, 2007

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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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

(Last) (First) (Middle)  
5301 N. FEDERAL  
HIGHWAY, SUITE 120  
(Street)

BOCA RATON, FL 33487

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
12/10/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chief Operating Officer

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	(D)	Price
Common Stock					2,083,115	D	
Common Stock	12/10/2007		M <sup>(1)</sup>		28,000	A	\$ 2.5
Common Stock	12/10/2007		S		28,000	D	\$ 10.4302
Common Stock	12/11/2007		M <sup>(1)</sup>		14,000	A	\$ 2.5
Common Stock	12/11/2007		S		28,000	D	\$ 10.4223

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

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(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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options	\$ 0.01					01/01/2005	01/01/2010	Common Stock	200,000
Stock Options	\$ 2.5					01/01/2006	01/01/2011	Common Stock	83,920
Stock Options	\$ 2.5	12/10/2007		M <sup>(1)</sup>	28,000	01/01/2006	01/01/2011	Common Stock	28,000
Stock Options	\$ 2.5	12/11/2007		M <sup>(1)</sup>	14,000	01/01/2006	01/01/2011	Common Stock	14,000
Stock Options	\$ 5					01/01/2007	01/01/2012	Common Stock	200,000
Stock Options	\$ 7.5					01/01/2008	01/01/2013	Common Stock	250,000
Stock Options	\$ 10					01/01/2009	01/01/2014	Common Stock	250,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Stein David 5301 N. FEDERAL HIGHWAY SUITE 120 BOCA RATON, FL 33487	X	X	Chief Operating Officer	

## Signatures

/s/ David Stein

12/12/2007

\*\*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) Mr. Stein exercised options granted to him under an employment agreement with China Direct, Inc. and vested on 1/1/06. Mr. Stein delivered proceeds of \$105,000 to China Direct, Inc. Transactions were made pursuant to a duly adopted trading plan under Rule 10b5-1.

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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