

China Direct, Inc
 Form 4
 December 07, 2007

FORM 4

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

OMB APPROVAL

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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 *
Wang Yuejian

(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)
 12/05/2007

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)
 CEO, Chairman

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 | (A) or (D) | Price |
| Common Stock | | | | | 2,100,000 | D | (1) |
| Common Stock | 12/05/2007 | | M(4) | | 66,000 | A | \$ 2.5 |
| Common Stock | 12/05/2007 | | S | | 66,000 | D | \$ 10.0241 |
| Common Stock | 12/06/2007 | | M(4) | | 120,160 | A | \$ 2.5 |
| Common Stock | 12/06/2007 | | S | | 120,160 | D | \$ 10.4281 |

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| | | | | | | | | | |
|--------------|------------|--|------------------|--------|---|------------|-----------|------------------|----------------------|
| Common Stock | 12/07/2007 | | M ⁽⁴⁾ | 46,000 | A | \$ 2.5 | 2,146,000 | D ⁽¹⁾ | |
| Common Stock | 12/07/2007 | | S | 46,000 | D | \$ 10.7733 | 2,100,000 | D ⁽¹⁾ | |
| Common Stock | | | | | | | 440,000 | I ⁽²⁾ | Trust ⁽²⁾ |
| Common Stock | | | | | | | 1,460,000 | I ⁽³⁾ | Trust ⁽³⁾ |

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

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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 Number Shares |
| Stock Options | \$ 0.01 | | | | | 01/01/2005 01/01/2010 | Common Stock 400,000 |
| Stock Options | \$ 2.5 | | | | | 01/01/2006 01/01/2011 | Common Stock 400,000 |
| Stock Options | \$ 2.5 | 12/05/2007 | | M ⁽⁴⁾ | 66,000 | 01/01/2006 01/01/2011 | Common Stock 66,000 |
| Stock Options | \$ 2.5 | 12/06/2007 | | M ⁽⁴⁾ | 120,160 | 01/01/2006 01/01/2011 | Common Stock 120,160 |
| Stock Options | \$ 2.5 | 12/07/2007 | | M ⁽⁴⁾ | 46,000 | 01/01/2006 01/01/2011 | Common Stock 46,000 |
| Stock Options | \$ 5 | | | | | 01/01/2007 01/01/2012 | Common Stock 400,000 |
| Stock Options | \$ 7.5 | | | | | 01/01/2008 01/01/2013 | Common Stock 500,000 |
| Stock Options | \$ 10 | | | | | 01/01/2009 01/01/2014 | Common Stock 500,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------|-------|
| | Director | 10% Owner | Officer | Other |
| Wang Yuejian 5301 N. FEDERAL HIGHWAY SUITE 120 BOCA RATON, FL 33487 | X | X | CEO, Chairman | |

Signatures

| | |
|------------------------------------|------------|
| /s/ Yuejian (James) Wang | 12/07/2007 |
| **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) 2,100,000 shares were gifted by Dr. Wang to Dragon Fund Management LLC. Dr. Wang holds 1% of the membership interest and 50% of the voting control of Dragon Fund Management LLC.
 - (2) 440,000 shares were gifted by Dr. Wang to Lotus Capital Fund, an irrevocable trust for the benefit of Dr. Wang's wife. Dr. Wang is not a trustee of Lotus Capital Fund and he disclaims beneficial ownership in securities held by Lotus Capital Fund.
 - (3) 1,460,000 shares were gifted by Dr. Wang to Tiger Fund Trust, an irrevocable trust for the benefit of his minor child. Dr. Wang is not a trustee of Tiger Fund Trust and he disclaims beneficial ownership in securities held by Tiger Trust Fund.
 - (4) Dr. Wang exercised options granted to him under an employment agreement with China Direct, Inc. and vested on 1/1/06. Dr. Wang delivered proceeds of \$580,400 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.