

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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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 \*  
**SIEGEL MARC**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**C/O CHINA DIRECT, INC., 5301  
 N. FEDERAL HIGHWAY, SUITE  
 120**

3. Date of Earliest Transaction  
 (Month/Day/Year)  
**12/05/2007**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**President**

(Street)  
**BOCA RATON, FL 33487**

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

(City) (State) (Zip)

**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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock					4,000,000	D	
Common Stock	12/05/2007		M <sup>(1)</sup>		30,100	A	\$ 2.5
Common Stock	12/05/2007		S		30,100	D	\$ 10.0241
Common Stock	12/06/2007		M <sup>(1)</sup>		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 <sup>(1)</sup>	46,000	A	\$ 2.5	4,046,000	D
Common Stock	12/07/2007		S	46,000	D	\$ 10.7733	4,000,000	D

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 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 364,100
Stock Options	\$ 2.5	12/05/2007		M <sup>(1)</sup>	30,100	01/01/2006 01/01/2011	Common Stock 30,100
Stock Options	\$ 2.5	12/06/2007		M <sup>(1)</sup>	120,160	01/01/2006 01/01/2011	Common Stock 120,160
Stock Options	\$ 2.5	12/07/2007		M <sup>(1)</sup>	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

SIEGEL MARC  
C/O CHINA DIRECT, INC. X X President  
5301 N. FEDERAL HIGHWAY, SUITE 120  
BOCA RATON, FL 33487

## Signatures

/s/ Marc Siegel 12/07/2007

\*\*Signature of Date  
Reporting Person

## 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. Siegel exercised options granted to him under an employment agreement with China Direct, Inc. and vested on 1/1/06. Mr. Siegel delivered proceeds of \$490,650 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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