

Wang Yuejian
Form 4
May 09, 2008

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

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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)

C/O CHINA DIRECT, INC., 431 FAIRWAY DRIVE

(Street)

DEERFIELD BEACH, FL 33441

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
05/07/2008

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 Executive 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount or Price | | |
| Common Stock | 05/07/2008 | | M | | 18,940 A \$ 2.5 | 18,940 (1) (2) | D |
| Common Stock | 05/07/2008 | | S(3) | | 18,940 D \$ 10.03 | 0 (1) (2) | D |
| Common Stock | 05/08/2008 | | M | | 23,000 A \$ 2.5 | 23,000 (1) (2) | D |
| Common Stock | 05/08/2008 | | S(3) | | 23,000 D \$ 10.1 | 0 (1) (2) | D |

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

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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 or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Option (Right to Buy) | \$ 2.5 | 05/07/2008 | | M | 18,940 | 01/01/2006 01/01/2011 | Common Stock | 18,940 |
| Stock Option (Right to Buy) | \$ 2.5 | 05/08/2008 | | M | 23,000 | 01/01/2006 01/01/2011 | Common Stock | 23,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Wang Yuejian C/O CHINA DIRECT, INC. 431 FAIRWAY DRIVE DEERFIELD BEACH, FL 33441 | X | X | Chief Executive Officer | |

Signatures

/s/ Yuejian Wang 05/09/2008

**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) Does not include 4,000,000 shares of common stock owned by Dragon Fund Management, LLC ("Dragon Fund"). The reporting person owns 1% of the membership interests in Dragon Fund which ownership interest has 50% of the voting control of Dragon Fund. The

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reporting person's spouse, Lei Li: (i) owns 1 % of the membership interests in Dragon Fund which ownership interest has 50% of the voting control, (ii) owns 3% of the non-voting interests in Dragon Fund; and (iii) is co-trustee of Lotus Capital Trust and Tiger Fund Trust which collectively own 95% of the non-voting membership interests in Dragon Fund. Lotus Capital Trust is an irrevocable trust established by the reporting person for the benefit of his spouse. Tiger Fund Trust is an irrevocable trust established by the reporting person for the benefit of his daughter. Ms. Li is a co-trustee of the Lotus Capital Trust and Tiger Fund Trust.

- The reporting person disclaims beneficial ownership of the Company's securities owned by Dragon Fund except to the extent of his
- (2) pecuniary interest in Dragon Fund and this filing should not be construed as an admission that the reporting person is the beneficial owner of these securities.
 - (3) Shares sold by the reporting person pursuant to a 10b5-1 trading plan adopted November 29, 2007.

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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