**BARNES DAVID M** 

Form 4 May 06, 2008

# FORM 4

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

**OMB APPROVAL** OMB

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Check this box if no longer subject to Section 16. Form 4 or

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

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(City)

(Print or Type Responses)

1. Name and Address of Reporting Person * BARNES DAVID M			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)	3. Date of Earliest Transaction	(Check an applicable)		
250 EAST 547 24-C	TH STREET	, APT.	(Month/Day/Year) 05/02/2008	X_ Director 10% Owner Officer (give title below) Other (specify below)		
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
NEW YORK,	NY 10022		Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State) (Z	Zip) Table	e I - Non-D	erivative :	Securi	ties Ac	quired, Disposed	of, or Beneficia	lly Owned
1.Title of Security	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if		3. 4. Securities TransactionAcquired (A) or			5. Amount of Securities	7. Nature of Indirect		
(Instr. 3)		any (Month/Day/Year)	Code (Instr. 8)	Disposed of (D) (Instr. 3, 4 and 5)			Beneficially Owned	(D) or Indirect (I)	Beneficial Ownership
				(A) or		Following Reported Transaction(s) (Instr. 3 and 4)	(Instr. 4)	(Instr. 4)	
			Code V	Amount	(D)	Price	(IIISII. 3 aliu 4)		
Common Stock	05/02/2008		M	5,000	A	\$ 3	5,000	D	
Common Stock	05/02/2008		S <u>(1)</u>	5,000 (1)	D	\$ 9.5	0	D	

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. Transactic Code (Instr. 8)	5. Number iom 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 Option (Right to Buy)	\$ 3	05/02/2008		M		5,000	01/15/2008	01/15/2011	Common Stock	5,000

 $\mathbf{D}$ 

## **Reporting Owners**

Reporting Owner Name / Address	Relationships						
• 0	Director	10% Owner	Officer	Other			
BARNES DAVID M 250 EAST 54TH STREET, APT. 24-C NEW YORK, NY 10022	X						

### **Signatures**

/s/ David Stein, Attorney-in-fact for David
Barnes
05/06/2008

\*\*Signature of 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) Shares sold by the reporting person pursuant to a 10b5-1 trading plan adopted April 3, 2008.

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.

Date

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