Rothstein Lazarus Form 3 February 04, 2009

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

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF **SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, response... 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 *

À Rothstein Lazarus

(Last)

(First)

(Middle)

Statement

(Month/Day/Year)

01/26/2009

2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol

China Direct, Inc. [CDII]

(Check all applicable)

(give title below) (specify below)

Executive Vice President

4. Relationship of Reporting Person(s) to Issuer

5. If Amendment, Date Original

Filed(Month/Day/Year)

C/O CHINA DIRECT INDUSTRIES, INC., Â 431 FAIRWAY DRIVE, STE 200

(Street)

Director _X__ Officer

10% Owner Other

6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting

Person

Form filed by More than One

Reporting Person

DEERFIELD

1. Title of Security

BEACH, FLÂ 33441

(City)

(Instr. 4)

(State)

(Zip)

Table I - Non-Derivative Securities Beneficially Owned

2. Amount of Securities Beneficially Owned

(Instr. 4)

3. Ownership 4. Nature of Indirect Beneficial

Ownership Form: (Instr. 5)

Direct (D) or Indirect (I)

(Instr. 5)

Â Common Stock, \$.0001 par value per share $20,000^{(1)}$ D

Reminder: Report on a separate line for each class of securities beneficially

owned directly or indirectly.

SEC 1473 (7-02)

4.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

Expiration Date (Month/Day/Year)

2. Date Exercisable and 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

5. Ownership Conversion

6. Nature of Indirect Beneficial Ownership

or Exercise Form of (Instr. 5)

Price of Derivative Derivative Security:

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Date Expiration Title Exercisable Date

Amount or Security Number of Shares Direct (D) or Indirect (I) (Instr. 5)

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Rothstein Lazarus

C/O CHINA DIRECT INDUSTRIES, INC. 431 FAIRWAY DRIVE, STE 200 DEERFIELD BEACH, FLÂ 33441

Â Â Executive Vice President Â

Signatures

/s/ Lazarus Rothstein 02/04/2009

**Signature of Date
Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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).

Restricted Stock granted pursuant to the Issuer?s 2008 Non-Executive Stock Incentive Plan. 5,700 shares of Restricted Stock were granted on June 1, 2008 and 14,300 shares were granted on January 12, 2009. All shares will vest in equal quarters on June 1, 2009, September 1, 2009, January 1, 2010 and April 1, 2010 but only if the Reporting Person is still an employee of the Issuer at the time of vesting.

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.

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