

DIRECT GENERAL CORP
Form 5
February 14, 2005

FORM 5

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

OMB APPROVAL

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Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
ADAIR JACQUELINE C

(Last) (First) (Middle)

1281 MURFREESBORO ROAD

(Street)

NASHVILLE, TN 37217

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DIRECT GENERAL CORP [DRCT]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2004

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)
Executive VP & COO

6. Individual or Joint/Group Reporting

(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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Amount or Price		
Common Stock	07/21/2004	^	G ⁽¹⁾	400,000 D	\$ 0 90,920	D	^
Common Stock	07/21/2004	^	G ⁽¹⁾	400,000 A	\$ 0 400,000	I	By Shares Held By Ltd Partnership
Common Stock	^	^	^	^	^ ^ 200	I	By Immediate Family

Common Stock Â Â Â Â Â Â 120 I By Spouse

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)	Amount Number Shares
Employee Stock Option (Right to Buy)	\$ 21	Â	Â	Â	Â Â	08/11/2004 ⁽²⁾ 08/11/2013	Common Stock	240,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ADAIR JACQUELINE C 1281 MURFREESBORO ROAD NASHVILLE, TN 37217	Â X	Â	Â	Executive VP & COO

Signatures

By: Matthew P. McClure,
Attorney-In-Fact 02/14/2005

**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) Transfer of shares to WA Investments, LP, a limited partnership of which the reporting person is a general partner and of which the reporting person and, a grantor retained annuity trust are limited partners. The reporting person disclaims beneficial ownership of DRCT common stock held by WA Investments, LP except to the extent of her pecuniary interest therein and owned by the reporting person's spouse.

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(2) The options vest in five equal annual installments beginning August 11, 2004.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.