

DIRECT GENERAL CORP

Form 5

February 12, 2007

FORM 5**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**Check this box if
no longer subject
to Section 16.Form 4 or Form
5 obligations
may continue.See Instruction
1(b).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

OMB APPROVAL

OMB
Number: 3235-0362Expires: January 31,
2005Estimated average
burden hours per
response... 1.01. Name and Address of Reporting Person *
ADAIR JACQUELINE C

(Last) (First) (Middle)

1281 MURFREESBORO RD.

(Street)

2. Issuer Name **and** Ticker or Trading
Symbol
DIRECT GENERAL CORP [DRCT]3. Statement for Issuer's Fiscal Year Ended
(Month/Day/Year)
12/31/20064. 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)

Exec. VP & COO

6. Individual or Joint/Group Reporting

(check applicable line)

NASHVILLE, TN 37217

☒ 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 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)
				Amount	(A) or (D)	Price			
Common Stock	10/16/2006	Â	G ⁽¹⁾	188,598	D	\$ 0	42,725	I	By TA Investments, LP
Common Stock	10/16/2006	Â	G ⁽²⁾	188,598	D	\$ 0	42,725	I	By WA Investments, LP
Common Stock	10/16/2006	Â	G ⁽³⁾	188,598	A	\$ 0	448,145	D	Â

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Common Stock	Â	Â	Â	Â	Â	Â	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.

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.

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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)	8. Price of Derivative Security (Instr. 5)	9. of
					(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares		

Reporting Owners

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

Signatures

/s/ Jacqueline C. Adair 02/12/2007

**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 189 shares to reporting person and 188,409 shares to Tammy Adair from TA Investments, LP, a limited partnership of which the reporting person is a general partner. The reporting person disclaims beneficial ownership of shares held by the limited partnership except to the extent of her pecuniary interest therein and shares owned by her spouse.

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- (2) Transfer of 188,409 shares to reporting person and 189 shares to Tammy Adair from WA Investments, LP, a limited partnership of which the reporting person is a general partner. The reporting person disclaims beneficial ownership of shares held by the limited partnership except to the extent of her pecuniary interest therein and shares owned by her spouse.

- (3) Transfer of 189 shares to reporting person from TA Investments, LP, a limited partnership of which the reporting person is a general partner, and 188,409 shares to reporting person from WA Investments, LP, a limited partnership of which the reporting person is a general partner.

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.