



# Edgar Filing: DIRECT GENERAL CORP - Form 4

(1)

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.**

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
Employee Stock Option (Right to Buy)	\$ 21	03/30/2007		D	72,000	<u>(5)</u> 08/11/2013	Common Stock	72,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ADAIR TAMMY R 1281 MURFREESBORO ROAD NASHVILLE, TN 37217			President	
WILLIAM C ADAIR JR TRUST				Trust
X1				

## Signatures

/s/ Tammy R.  
Adair 03/30/2007

\*\*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).
- Pursuant to the terms of the Agreement and Plan of Merger by and among Elara Holdings, Inc., Elara Merger Corporation, and Issuer (the
- (1) "Merger Agreement"), each share of common stock was cancelled and converted into the right to receive a cash payment of \$21.25 per share.
  - (2) TA Investments, LP is a limited partnership of which the reporting person is a general partner. The reporting person disclaims beneficial ownership except to the extent of her pecuniary interest therein.
  - (3) WA Investments, LP is a limited partnership of which the reporting person is a general partner. The reporting person disclaims beneficial ownership except to the extent of her pecuniary interest therein.
  - (4) These shares are owned directly by the William C. Adair, Jr. Trust, a ten-percent owner of Issuer, and indirectly by the reporting person as trustee.
- Pursuant to the terms of the Merger Agreement, this option, which provided for vesting in five equal annual installments beginning on
- (5) August 11, 2004, was cancelled and converted into an option to purchase 1,530 shares of common stock of Elara Holdings, Inc. for \$988.24 per share on the same terms as the cancelled option.

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.