

WILLIAM C ADAIR JR TRUST
 Form 5
 February 12, 2007

FORM 5

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

OMB APPROVAL
 OMB Number: 3235-0362
 Expires: January 31, 2005
 Estimated average burden hours per response... 1.0

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

1. Name and Address of Reporting Person *
 ADAIR TAMMY R

(Last) (First) (Middle)

1281 MURFREESBORO RD.

(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)
 12/31/2006

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)
 President

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 (A) or Price (D) | 6. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 7. Nature of Ownership Form: Direct (D) or Indirect (I) (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|----------------------------|--|--|
| Common Stock | 04/24/2006 | ^ | G | 2,500 D | \$ 0 | 279,757 D | ^ |
| Common Stock | 10/16/2006 | ^ | G ⁽¹⁾ | 188,589 D | \$ 0 | 42,725 I | By TA Investments, LP |
| Common Stock | 10/16/2006 | ^ | G ⁽²⁾ | 188,589 D | \$ 0 | 42,725 I | By WA Investments, LP |

Edgar Filing: WILLIAM C ADAIR JR TRUST - Form 5

Transfer of 188,409 shares to reporting person and 189 shares to Jacqueline 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.

- (2) Transfer of 188,409 shares to Jacqueline Adair and 189 shares to reporting person 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.

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

- (4) These shares are owned directly by the William C. Adair, Jr. Trust, a ten percent owner of issuer, and indirectly by Tammy R. Adair as trustee of the trust.

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.