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DURECT CORP  
Form SC 13G  
February 10, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 13G

Under the Securities Exchange Act of 1934  
(Amendment No. \_\_\_)

Direct Corporation

-----  
(Name of Issuer)

Common Stock

-----  
(Title of Class of Securities)

266605104

-----  
(CUSIP Number)

December 31, 2004

-----  
(Date of Event which Required Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13G

- 1 NAME OF REPORTING PERSON  
SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
Ironwood Capital Management, LLC  
Tax ID 04-3386084
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)
- 3 SEC USE ONLY
- 4 CITIZENSHIP OR PLACE OF ORGANIZATION

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Massachusetts

5	SOLE VOTING POWER	0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		
6	SHARED VOTING POWER	1,769,275
7	SOLE DISPOSITIVE POWER	0
8	SHARED DISPOSITIVE POWER	2,608,875
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,608,875	
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 5.10%	
12	TYPE OF REPORTING PERSON OO, IA	

SCHEDULE 13G

1 NAME OF REPORTING PERSON  
SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
Warren J. Isabelle  
N/A

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
  
American

5	SOLE VOTING POWER	0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		
6	SHARED VOTING POWER	1,769,275
7	SOLE DISPOSITIVE POWER	

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0

8 SHARED DISPOSITIVE POWER  
2,608,875

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
2,608,875

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN  
SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
5.10%

12 TYPE OF REPORTING PERSON  
HC

1 NAME OF REPORTING PERSON  
SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Richard L. Droster

N/A

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
American

NUMBER OF 5 SOLE VOTING POWER  
SHARES 0

BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

6 SHARED VOTING POWER  
1,769,275

7 SOLE DISPOSITIVE POWER  
0

8 SHARED DISPOSITIVE POWER  
2,608,875

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
2,608,875

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10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN  
SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
5.10%

12 TYPE OF REPORTING PERSON  
HC

1 NAME OF REPORTING PERSON  
SS. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Donald Collins

N/A

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
American

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
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6	SHARED VOTING POWER 1,769,275
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7	SOLE DISPOSITIVE POWER 0
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8	SHARED DISPOSITIVE POWER 2,608,875
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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
2,608,875

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN  
SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
5.10%

12 TYPE OF REPORTING PERSON  
HC

Item 1. (a). Name of Issuer: Durect Corporation

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(b). Address of Issuer's Principal Executive Offices:

10240 Bubb Road  
Cupertino, CA 95014

Item 2. (a). Name of Person Filing:

- (i) Ironwood Capital Management, LLC ("ICM")
- (ii) Warren J. Isabelle ("Isabelle")
- (iii) Richard L. Droster ("Droster")
- (iv) Donald Collins ("Collins")

(b). Address of Principal Business Office or, if none, Residence:

ICM:  
21 Custom House Street  
Boston, MA 02110

Isabelle:  
c/o ICM  
21 Custom House Street  
Boston, MA 02110

Droster:  
c/o ICM  
21 Custom House Street  
Boston, MA 02110

Collins:  
c/o ICM  
21 Custom House Street  
Boston, MA 02110

(c). Citizenship or Place of Organization:

ICM:	Massachusetts
Isabelle:	American
Droster:	American
Collins:	American

(d). Title of Class of Securities: Common Stock

(e). CUSIP Number: 266605104

Item 3. If this statement is filed pursuant to sections 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c.);
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e)  An investment adviser in accordance with section 240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with section 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in

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- (h)  accordance with section 240.13d-1(b) (1) (ii) (G);  
 A savings associations as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with section 240.13d-1(b) (1) (ii) (J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a). Amount beneficially owned:

- (i) ICM: 2,608,875
- (ii) Isabelle: 2,608,875
- (iii) Droster: 2,608,875
- (iv) Collins: 2,608,875

(b). Percent of class:

- (i) ICM: 5.10%
- (ii) Isabelle: 5.10%
- (iii) Droster: 5.10%
- (iv) Collins: 5.10%

(c). Number of shares as to which the person has:

(1) Sole power to vote or to direct the vote:

- (i) ICM: 0
- (ii) Isabelle: 0
- (iii) Droster: 0
- (iv) Collins: 0

(2) Shared power to vote or to direct the vote:

- (i) ICM: 1,769,275
- (ii) Isabelle: 1,769,275
- (iii) Droster: 1,769,275
- (iv) Collins: 1,769,275

(3) Sole power to dispose or to direct the disposition of:

- (i) ICM: 0
- (ii) Isabelle: 0
- (iii) Droster: 0
- (iv) Collins: 0

(4) Shared power to dispose or to direct the disposition of:

- (i) ICM: 2,608,875

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- (ii) Isabelle: 2,608,875
- (iii) Droster: 2,608,875
- (iv) Collins: 2,608,875

Item 5. Ownership of Five Percent or Less of a Class:

Not Applicable

Item 6. Ownership of More Than Five Percent on Behalf of Another Person:

Not Applicable

Item 7. Identification and Classification of Subsidiaries which Acquired the Security Being Reported on by the Parent Holding Company:

Not Applicable

Item 8. Identification and Classification of Members of the Group:

Not Applicable

Item 9. Notice of Dissolution of Group:

Not Applicable

Item 10. Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

In accordance with Rule 13d-4 of the Securities Exchange Act of 1934, each of the persons filing this statement expressly disclaim the beneficial ownership of the securities covered by this statement and the filing of this report shall not be construed as an admission by such persons that they are the beneficial owners of such securities.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

IRONWOOD CAPITAL MANAGEMENT, LLC

Date: February 7, 2005

By: \*  
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Warren J. Isabelle, Manager

Date: February 7, 2005

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Warren J. Isabelle, Manager

Date: February 7, 2005

\*

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Richard L. Droster, Executive Vice President

Date: February 7, 2005

\*

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Donald Collins, Senior Portfolio Manager

By: /s/ Gary S. Saks

February 7, 2005

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Gary S. Saks, Attorney-in-Fact

\* Executed pursuant to powers of attorney dated May 10, 2001 and filed on July 10, 2001.

EXHIBIT 1

JOINT FILING AGREEMENT AMONG IRONWOOD CAPITAL MANAGEMENT, LLC WARREN J. ISABELLE, RICHARD L. DROSTER AND DONALD COLLINS

WHEREAS, in accordance with Rule 13d-1(k) under the Securities and Exchange Act of 1934 (the "Act"), only one joint statement and any amendments thereto need to be filed whenever one or more persons are required to file such a statement or any amendments thereto pursuant to Section 13(d) of the Act with respect to the same securities, provided that said persons agree in writing that such statement or amendments thereto is filed on behalf of each of them;

NOW, THEREFORE, the parties hereto agree as follows:

IRONWOOD CAPITAL MANAGEMENT, LLC, WARREN J. ISABELLE, RICHARD L. DROSTER AND DONALD COLLINS hereby agree, in accordance with Rule 13d-1(k) under the Act, to file a statement on Schedule 13G relating to their ownership of Common Stock of the Issuer and do hereby further agree that said statement shall be filed on behalf of each of them.

IRONWOOD CAPITAL MANAGEMENT, LLC

Date: February 7, 2005

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Warren J. Isabelle, Manager

Date: February 7, 2005

\*

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Warren J. Isabelle



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Date: February 7, 2005

\*

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Richard L. Droster

Date: February 7, 2005

\*

-----  
Donald Collins

By: /s Gary S. Saks

February 7, 2005

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Gary S. Saks, Attorney-in-Fact

\* Executed pursuant to powers of attorney dated May 10, 2001 and filed on July 10, 2001.