

DURECT CORP  
Form SC 13G/A  
February 17, 2009

SCHEDULE 13G/A  
(AMENDMENT NO. 1)

DECEMBER 31, 2008  
(Date of Event Which Requires Filing of this Statement)

X	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).

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 CONTROL NUMBER.

GAGNON SECURITIES LLC

2. CHECK THE APPROPRIATE BOX IF A GROUP\* (a) \_\_\_\_\_  
(b) |X| \_\_\_\_\_

3. SEC USE ONLY

DELAWARE LIMITED LIABILITY COMPANY

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5. SOLE VOTING POWER	0
	6. SHARED VOTING POWER	2,316,672
	7. SOLE DISPOSITIVE POWER	0
	8. SHARED DISPOSTIVE POWER	2,316,672
9.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	2,316,672
10.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)	
11.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	2.8%
12.	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IA	
13.	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)  NEIL GAGNON	
14.	CHECK THE APPROPRIATE BOX IF A GROUP*	(a) (b) <input checked="" type="checkbox"/>
15.	SEC USE ONLY	
16.	CITIZENSHIP OR PLACE OF ORGANIZATION  USA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	17. SOLE VOTING POWER	1,203,907
	18. SHARED VOTING POWER	1,419,761
	19. SOLE DISPOSITIVE POWER	1,203,907
	20. SHARED DISPOSTIVE POWER	1,419,761
21.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	2,623,668
22.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)	
23.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	3.2%
24.	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN	

ITEM 1. (a) Name of Issuer:  
DURECT CORPORATION

(b) Address of Issuer's Principal Executive Offices:  
2 RESULTS WAY  
CUPERTINO, CA 95014

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ITEM 2. (a) Name of Person Filing:

This Schedule 13G/A is being filed by Gagnon Securities LLC and Neil Gagnon (together, the "Reporting Persons"). Gagnon Securities LLC is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940 and furnishes investment advice to several customer accounts, foundations, partnerships, trusts, and private investment funds (collectively, the "Funds"). Mr. Gagnon is the managing member and the principal owner of Gagnon Securities LLC. In its role as investment manager to the Funds, Gagnon Securities LLC shares investment and/or voting power with Mr. Gagnon over certain securities of the Issuer described in this schedule that are owned by the Funds, and shares investment and/or voting power over certain securities of the Issuer with persons other than Mr. Gagnon, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Funds. Additionally, Mr. Gagnon beneficially owns certain securities of the issuer over which he has sole voting power and sole dispositive power. The Reporting Persons expressly disclaim beneficial ownership of all securities held in the Funds' accounts. No single client's interest as reported in the customer accounts at Gagnon Securities LLC exceeds 5% of the outstanding Common Stock of the Issuer. In addition, the filing of this Schedule 13G/A shall not be construed as an admission that the Reporting Persons or any of their affiliates is the beneficial owner of any securities covered by this Schedule 13G/A for any other purposes than Section 13(d) of the Securities Exchange Act of 1934.

(b) Address of Principal Business Office or, if none, Residence:  
1370 Ave. of the Americas, Suite 2400  
New York, NY 10019

(c) Citizenship:  
GAGNON SECURITIES LLC: Delaware Limited Liability Company  
NEIL GAGNON: USA

(d) Title of Class of Securities:  
COMMON STOCK

(e) CUSIP Number:  
266605104

ITEM 3. If this statement is filed pursuant to ss.ss.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 ss.240.13d-1(b)(1)(ii)(E);
- (f) ☐ An employee benefit plan or endowment fund in accordance with ss.240.13d-1(b)(1)(ii)(F);
- (g) ☐ A parent holding company or control person in accordance with ss.240.13d-1(b)(1)(ii)(G);
- (h) ☐ 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 ss.240.13d-1(b)(1)(ii)(J).

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### 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:
  - GAGNON SECURITIES LLC: 2,316,672
  - NEIL GAGNON: 2,623,668
- (b) Percent of class:
  - GAGNON SECURITIES LLC: 2.8%
  - NEIL GAGNON: 3.2%,

Calculation of percentage of beneficial ownership is based on approximately 81,948,053 outstanding shares as reported by the Issuer on its Form 10-Q filed November 4, 2008.
- (c) Number of shares as to which the person has:
  - (i) Sole power to vote or to direct the vote:
    - GAGNON SECURITIES LLC: 0
    - NEIL GAGNON: 1,203,907
  - (ii) Shared power to vote or to direct the vote:
    - GAGNON SECURITIES LLC: 2,316,672
    - NEIL GAGNON: 1,419,761
  - (iii) Sole power to dispose or to direct the disposition of:
    - GAGNON SECURITIES LLC: 0
    - NEIL GAGNON: 1,203,907
  - (iv) Shared power to dispose or to direct the disposition of:
    - GAGNON SECURITIES LLC: 2,316,672
    - NEIL GAGNON: 1,419,761

### ITEM 5 OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [X].

### ITEM 6 OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

The Funds described above in Item 2 have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, securities held in their respective accounts. To the knowledge of the Reporting Person, the interest in any such Fund does not exceed 5% of the class of securities. The Reporting Person disclaims beneficial ownership of all such securities.

ITEMS 7 - 9 Not Applicable

### ITEM 10. CERTIFICATION

- (a) The following certification shall be included if the statement is filed pursuant to ss.240.13d-1(b):

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. [X]

SIGNATURE

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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.

February 17, 2009

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Date

/s/ Neil Gagnon

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Signature

Neil Gagnon

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Name/Title

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative other than an executive officer or general partner of the filing person, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. SEE ss.240.13d-7 for other parties for whom copies are to be sent.

ATTENTION: INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACT CONSTITUTE FEDERAL CRIMINAL VIOLATIONS (SEE 18 U.S.C. 1001)