#### **CHARLES & COLVARD LTD**

Form 4 July 26, 2005

### FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB** Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

**OMB APPROVAL** 

response...

if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Check this box

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(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \*

HINES EARL R

(Last)

(City)

2. Issuer Name and Ticker or Trading

Symbol

CHARLES & COLVARD LTD

[CTHR]

3. Date of Earliest Transaction

(Month/Day/Year)

07/25/2005

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

10% Owner

Other (specify

C/O CHARLES & COLVARD, 300

(Middle)

PERIMETER PARK DRIVE, SUITE

(Street)

(First)

Α

4. If Amendment, Date Original

Filed(Month/Day/Year)

below) Senior VP of Manufacturing

6. Individual or Joint/Group Filing(Check Applicable Line)

Director

X\_ Officer (give title

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

MORRISVILLE, NC 27560

(State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securi	ties A	equired	5. Amount of	<ol><li>Ownership</li></ol>	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transaction(A) or Disposed of			d of	Securities	Form: Direct	Indirect
(Instr. 3)		any Code (D)			Beneficially	(D) or	Beneficial		
		(Month/Day/Year)	(Instr. 8)	(Instr. 3, 4 and 5)			Owned	Indirect (I)	Ownership
							Following	(Instr. 4)	(Instr. 4)
				(A)		Reported			
					(A)		Transaction(s)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
common stock	07/25/2005		S	1,000	D	\$ 28.5	38,828 (1) (2)	D	
common stock	07/26/2005		S	5,000	D	\$ 26	33,828	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of **SEC 1474** information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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#### Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Titl	e and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	orNumber	Expiration D	ate	Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	ities	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security				Acquired						Follo
	•				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									A		
									Amount		
						Date Exercisable	Expiration Tit	or Title Numb			
				C 1 W	(A) (D)				of		
				Code V	(A) (D)				Shares		

### **Reporting Owners**

Relationships Reporting Owner Name / Address

> 10% Owner Officer Other Director

HINES EARL R C/O CHARLES & COLVARD 300 PERIMETER PARK DRIVE, SUITE A MORRISVILLE, NC 27560

Senior VP of Manufacturing

# **Signatures**

Earl Hines 07/26/2005 \*\*Signature of Date Reporting Person

# **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).
- Number of shares owned adjusted 5% for 2005 stock dividend.
- This amount includes 1,329 shares (adjusted for 5 % stock dividend) previously reported as indirect ownership as these shares have been **(2)** transferred to a joint account.

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.

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