

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>HINES EARL R</u> (Last) (First) (Middle) <u>C/O CHARLES & COLVARD</u> <u>300 PERIMETER PARK DRIVE, SUITE A</u> (Street) <u>MORRISVILLE NC 27560</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>CHARLES & COLVARD LTD [CTHR]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Senior VP of Manufacturing</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>04/25/2005</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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 of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
common stock	04/25/2005		M		15,975	A	\$3.45	52,641	D	
common stock	04/25/2005		M		10,650	A	\$4.81	63,291	D	
common stock	04/25/2005		M		3,195	A	\$4.81	4,461	I	Spouse
common stock	04/25/2005		M		1,000	A	\$5.375	5,461	I	Spouse
common stock	04/25/2005		M		100	A	\$1.3	5,561	I	Spouse
common stock	04/25/2005		M		100	A	\$1.04	5,661	I	Spouse
common stock	04/25/2005		M		200	A	\$1.08	5,861	I	Spouse
common stock	04/25/2005		M		534	A	\$2.16	6,395	I	Spouse
common stock	04/25/2005		M		333	A	\$5.55	6,728	I	Spouse
common stock	04/25/2005		M		333	A	\$4.15	7,061	I	Spouse
common stock	04/25/2005		M		200	A	\$3.99	7,261	I	Spouse
common stock	04/25/2005		M		666	A	\$4.46	7,927	I	Spouse
common stock	04/25/2005		S		26,625	D	\$17	36,666	D	
common stock	04/25/2005		S		6,661	D	\$17	1,266	I	Spouse

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
stock option (right to buy)	\$3.45	04/25/2005		M			15,975	03/01/1998	03/01/2007	common stock	15,975	\$0	0	D	
stock option (right to buy)	\$4.81	04/25/2005		M			10,650	(1)	07/03/2007	common stock	10,650	\$0	0	D	
stock option (right to buy)	\$4.81	04/25/2005		M			3,195	07/29/1998	07/29/2007	common stock	3,195	\$0	0	I	Spouse

**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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
stock option (right to buy)	\$5.375	04/25/2005		M			1,000	(1)	05/14/2010	common stock	1,000	\$0	0	I	Spouse
stock option (right to buy)	\$1.3	04/25/2005		M			100	(1)	05/13/2011	common stock	100	\$0	0	I	Spouse
stock option (right to buy)	\$1.04	04/25/2005		M			100	(1)	07/17/2011	common stock	100	\$0	0	I	Spouse
stock option (right to buy)	\$1.08	04/25/2005		M			200	(1)	10/17/2011	common stock	200	\$0	0	I	Spouse
stock option (right to buy)	\$2.16	04/25/2005		M			534	(1)	02/22/2012	common stock	534	\$0	0	I	Spouse
stock option (right to buy)	\$5.55	04/25/2005		M			333	(1)	04/22/2012	comon stock	333	\$0	167	I	Spouse
stock option (right to buy)	\$4.15	04/25/2005		M			333	(1)	07/16/2012	common stock	333	\$0	167	I	Spouse
stock option (right to buy)	\$3.99	04/25/2005		M			200	(1)	10/17/2012	common stock	200	\$0	100	I	Spouse
stock option (right to buy)	\$4.46	04/25/2005		M			666	(1)	02/12/2013	common stock	666	\$0	334	I	Spouse

Explanation of Responses:

1. These options vest and become exercisable in three equal installments on the first, second, and third anniversary of the date of grant.

Earl Hines

04/25/2005

** Signature of Reporting Person

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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