

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) **November 4, 2009**

Charles & Colvard, Ltd.

(Exact name of registrant as specified in its charter)

North Carolina
(State or other jurisdiction of
incorporation or organization)

000-23329
(Commission File
Number)

56-1928817
(I.R.S. Employer
Identification No.)

300 Perimeter Park Drive, Suite A
Morrisville, North Carolina
(Address of principal executive offices)

27560
(Zip Code)

(919) 468-0399
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01 Entry into a Material Definitive Agreement.

On November 4, 2009, Charles & Colvard, Ltd. (the "Company") executed a letter agreement dated October 16, 2009 (the "Letter Agreement") with Stuller, Inc. ("Stuller"), which replaces in its entirety the prior letter agreement between the Company and Stuller dated June 19, 2007. Pursuant to its terms, the Letter Agreement became effective upon the Company's execution of the Letter Agreement on November 4, 2009.

The Letter Agreement provides that Stuller has the right to sell moissanite in North America until December 31, 2010. The Company also agreed to, among other things, (i) fund certain pre-approved advertising and promotional expenses submitted to the Company by Stuller; (ii) provide semi-annual stock rebalancing, subject to certain limitations; (iii) provide Stuller staff with reasonably required training concerning the product, marketing strategy, and product positioning; (iv) provide Stuller with a warranty for moissanite jewels, subject to certain limitations; and (v) beginning January 1, 2010, issue a credit towards future purchases based on a tiered, percentage rebate for annual, incremental net purchases in excess of a certain benchmark. Stuller in turn agreed to, among other things, provide a 12-month rolling forecast monthly of planned requirements and to comply with the Company's brand identity guidelines.

The foregoing summary of the terms of the Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the Letter Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

A copy of the press release announcing the execution of the Letter Agreement is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Document
10.1	Letter Agreement, effective November 4, 2009, between Stuller, Inc. and Charles & Colvard, Ltd.*
99.1	Press release, dated November 6, 2009

* Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission as part of an application for confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Charles & Colvard, Ltd.

November 10, 2009

By: /s/ Timothy L. Krist
Timothy L. Krist
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description of Document
10.1	Letter Agreement, effective November 4, 2009, between Stuller, Inc. and Charles & Colvard, Ltd.*
99.1	Press release, dated November 6, 2009

* Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission as part of an application for confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.

{Charles & Colvard, Ltd. Letterhead}

VIA EMAIL & FEDERAL EXPRESS PRIORITY OVERNIGHT

Confidential

October 16, 2009

Mr. Linus Cortez, CFO
Stuller, Inc.
302 Rue Louis XIV
Lafayette, LA 70508

Dear Mr. Cortez:

This letter when signed by the last party hereto will serve as our agreement going forward and will replace all previous agreements between us.

A. For the Term, Charles & Colvard, Ltd. (C&C) hereby:

1. Appoints Stuller Inc. (Stuller) the rights to sell "Charles & Colvard Created Moissanite®" (either as a loose jewel or in manufactured jewelry) in the territory comprised of the North American Continent from the present date until December 31, 2010 (The "Appointment Term").
2. Warrants that Stuller will receive the lowest price schedule offered to manufacturers and distributors. The current price schedule is attached. Further, if at any time the pricing of moissanite is decreased, C&C shall provide Stuller with a credit toward additional purchases of moissanite equal to the amount of any such price decrease on the lesser of (a) Stuller's net purchases of moissanite during the prior 90 days or (b) Stuller's actual purchase cost of inventory of jewels at such time. Stuller will be informed at least 90 days prior to any price increase.
3. C&C will fund all pre-approved, eligible advertising/promotional activity expenses for moissanite marketing up to [***]% of net purchases made by Stuller. To receive the co-op credit Stuller must submit to C&C in advance, on a quarterly basis, a marketing proposal listing all co-op activities to be undertaken by Stuller for the quarter. Submittal of funding requests under this proposal must be supported by actual receipts for all expenditures and other appropriate backup evidencing that advertising has occurred. C&C will issue a credit memo to Stuller for the co-op portion of such actual marketing expenditures.
4. Agrees to provide stock re-balancing semi-annually on a dollar value per dollar value basis, [***]. This stock rebalancing will occur no later than the 15th of May (based on purchases made the 1st quarter and the 4th quarter of the previous year) and the 15th of November (based on the purchases made the 2nd and 3rd quarter) of each year.
5. Agrees to provide the Stuller staff with any reasonably required training concerning the product, the marketing strategy, and the product positioning being implemented by C&C.
6. Agrees to provide Stuller with [***] for moissanite jewels [***].

[***] Confidential treatment requested pursuant to a request for confidential treatment filed with the Securities and Exchange Commission. Omitted portions have been filed separately with the Commission.

7. In order to encourage a growing partnership, beginning January 1, 2010, C&C will issue in the first quarter of the following year a credit towards future purchases based on a tiered, percentage rebate for annual, incremental net purchases in excess of a benchmark of [***], according to the following graduated schedule:

Rebate (%)	[***]	[***]	[***]	[***]	[***]
Incremental purchases over [***]	[***]	[***]	[***]	[***]	[***]

B. Stuller agrees to comply with the following:

1. Submission of support documentation relevant to all co-op and any other authorized marketing and sales expenses.
2. Stuller will share a 12 month rolling forecast monthly of planned requirements with C&C in order to provide a smooth flow of jewels to Stuller's inventory.
3. On a quarterly basis Stuller agrees to provide C&C with any available statistics on the number of jewelry stores purchasing moissanite specific to independent jewelers in total and large retailers individually.

Stuller hereby recognizes, and agrees to cooperate fully with C&C in the protection of all C&C trademarks, logos, copyrights and intellectual property. Further, Stuller agrees to include "Charles & Colvard Created Moissanite[®]" in its catalog and trade show presentations for the term of the agreement and to make commercially reasonable efforts to market moissanite to its customers consistent with the Brand Identity Guidelines (BIG) supplied by C&C. Stuller specifically agrees to make commercially reasonable efforts to sell "Charles & Colvard Created Moissanite[®]" as loose stones and set in jewelry to Stuller qualified jewelry resellers or manufacturers only.

If the foregoing meets with your understanding of our agreement, please sign and return one copy of this letter for our files.

Agreed and accepted:
Charles & Colvard, Ltd.

/s/ George Cattermole

George Cattermole
Interim CEO & Board Chair

Date: 11/04/09

Stuller, Inc.

/s/ Linus Cortez

Linus Cortez
CFO

Date: 10/29/09

[***] Confidential treatment requested pursuant to a request for confidential treatment filed with the Securities and Exchange Commission. Omitted portions have been filed separately with the Commission.

CHARLES & COLVARD
Created
MOISSANITE

Jewel Price List

Effective May 1, 2006. All prices listed in US\$. All prices subject to change without notice.

SRB (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
2.5	0.05	***	***	***	78
3	0.09	***	***	***	78
3.25	0.11	***	***	***	78
3.5	0.14	***	***	***	78
4	0.22	***	***	***	40
4.5	0.29	***	***	***	40
5	0.41	***	***	***	40
5.5	0.54	***	***	***	21
6	0.68	***	***	***	21
6.5	0.88	***	***	***	21
7	1.10	***	***	***	21
7.5	1.35	***	***	***	10
8	1.60	***	***	***	10
8.5	1.90	***	***	***	10
9	2.26	***	***	***	10
9.5	2.75	***	***	***	10
10	3.08	***	***	***	10
10.5	3.57	***	***	***	10
11	4.11	***	***	***	5
11.5	4.72	***	***	***	5
12	5.32	***	***	***	5
12.5	6.01	***	***	***	5
13	6.80	***	***	***	5
13.5	7.60	***	***	***	5
14	8.46	***	***	***	5
14.5	9.51	***	***	***	5
15	10.46	***	***	***	5

All SRB (standard round brilliant) moissanite jewels are sold by piece by size (mm).
The average carat weights listed are for informational purposes only.

SCR (mm)	Carat Weight	Price	Suggested Wholesale	Suggested Retail	Average Pieces/Bag
1	3	***	***	***	700
1.1	3	***	***	***	547
1.2	3	***	***	***	418
1.3	3	***	***	***	354
1.4	3	***	***	***	295
1.5	3	***	***	***	245
1.6	3	***	***	***	190
1.7	3	***	***	***	166
1.8	3	***	***	***	140
1.9	3	***	***	***	122
2	3	***	***	***	106
2.1	3	***	***	***	91
2.2	3	***	***	***	80
2.3	3	***	***	***	71
2.4	3	***	***	***	63

All SCR (single cut round) moissanite jewels are sold by weight in bulk bags weighing 3 carats each.
The average pieces per bag listed are for informational purposes only.

Baguette (mm)	Carat Weight	Price	Suggested Wholesale	Suggested Retail	Average Pieces/Bag
4x2	3	***	***	***	31
4x2	3	***	***	***	31
Tapered Baguette	Carat Weight	Price	Suggested Wholesale	Suggested Retail	Average Pieces/Bag
5x2.5x2	3	***	***	***	18

All Baguette moissanite jewels are sold by weight in bulk bags weighing 3 carats each.
The average pieces per bag listed are for informational purposes only.

*** Confidential treatment requested pursuant to a request for confidential treatment filed with the Securities and Exchange Commission. Omitted portions have been filed separately with the Commission.

** CONFIDENTIAL **

© 2008 Charles & Colvard®, Ltd. All Rights Reserved.

1 of 5

610.283.2.PFB
Rev. 03/21/08

Jewel Price List

Effective May 1, 2006. All prices listed in US\$. All prices subject to change without notice.

Castle (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
2.5	0.05	***	***	***	40
3	0.09	***	***	***	40
3.5	0.15	***	***	***	40
4	0.21	***	***	***	40
4.5	0.30	***	***	***	40
5	0.40	***	***	***	40
5.5	0.52	***	***	***	21
6	0.69	***	***	***	21
6.5	0.88	***	***	***	21
7	1.09	***	***	***	21
7.5	1.33	***	***	***	10
8	1.61	***	***	***	10
Cushion (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
2	0.04	***	***	***	40
2.5	0.07	***	***	***	40
3	0.12	***	***	***	40
3.5	0.19	***	***	***	40
4	0.30	***	***	***	40
4.5	0.42	***	***	***	40
5	0.57	***	***	***	21
5.5	0.75	***	***	***	21
6	0.96	***	***	***	21
6.5	1.21	***	***	***	21
7	1.49	***	***	***	21
7.5	1.80	***	***	***	10
8	2.15	***	***	***	10
8.5	2.54	***	***	***	10
9	2.98	***	***	***	10
9.5	3.74	***	***	***	10
10	4.18	***	***	***	5
10.5	4.99	***	***	***	5
11	5.79	***	***	***	5
11.5	6.82	***	***	***	5
12	8.07	***	***	***	5
Heart (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
3	0.08	***	***	***	78
3.5	0.14	***	***	***	40
4	0.21	***	***	***	40
4.5	0.30	***	***	***	40
5	0.42	***	***	***	40
5.5	0.54	***	***	***	21
6	0.70	***	***	***	21
6.5	0.86	***	***	***	21
7	1.10	***	***	***	21
7.5	1.32	***	***	***	21
8	1.61	***	***	***	10
8.5	1.99	***	***	***	10
9	2.43	***	***	***	10
9.5	2.83	***	***	***	10
10	3.30	***	***	***	10

All moissanite jewels on this page are sold by piece by size (mm), average carat weights listed are for informational purposes only.

*** Confidential treatment requested pursuant to a request for confidential treatment filed with the Securities and Exchange Commission. Omitted portions have been filed separately with the Commission.

CHARLES & COLVARD
Created
MOISSANITE

Jewel Price List

Effective May 1, 2006. All prices listed in US\$. All prices subject to change without notice.

Marquise (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
4x2	0.06	***	***	***	40
5x2.5	0.12	***	***	***	40
6x3	0.21	***	***	***	21
7x3.5	0.32	***	***	***	21
8x4	0.47	***	***	***	21
9x4.5	0.67	***	***	***	21
10x5	0.90	***	***	***	21
11x5.5	1.26	***	***	***	12
12x6	1.58	***	***	***	12
13x6.5	1.98	***	***	***	12
14x7	2.48	***	***	***	12
Octagon (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
2	0.03	***	***	***	78
2.5	0.07	***	***	***	78
3	0.11	***	***	***	78
3.5	0.17	***	***	***	78
4	0.25	***	***	***	40
4.5	0.36	***	***	***	40
5	0.47	***	***	***	40
5.5	0.62	***	***	***	21
6	0.80	***	***	***	21
6.5	1.02	***	***	***	21
7	1.26	***	***	***	21
7.5	1.56	***	***	***	10
8	1.87	***	***	***	10
8.5	2.19	***	***	***	10
9	2.58	***	***	***	10
9.5	3.02	***	***	***	10
Oval (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
4x2	0.09	***	***	***	40
5x3	0.23	***	***	***	40
6x4	0.43	***	***	***	21
7x5	0.84	***	***	***	21
8x6	1.33	***	***	***	10
9x7	1.91	***	***	***	10
10x8	2.72	***	***	***	10
11x9	3.74	***	***	***	10
12x10	5.18	***	***	***	5
14x10	6.58	***	***	***	5
14x10.5	6.93	***	***	***	5
Pear (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
5x3	0.20	***	***	***	21
6x4	0.39	***	***	***	21
7x5	0.69	***	***	***	21
7.5x5	0.76	***	***	***	21
8x5	0.85	***	***	***	21
9x6	1.33	***	***	***	12
10x7	1.93	***	***	***	12
10.5x7	2.13	***	***	***	12
12x7.5	2.87	***	***	***	12
12x8	3.09	***	***	***	5

All moissanite jewels on this page are sold by piece by size (mm),
average carat weights listed are for informational purposes only.

*** Confidential treatment requested pursuant to a request for confidential treatment filed with the Securities and Exchange Commission. Omitted portions have been filed separately with the Commission.

CHARLES & COLVARD
Created
MOISSANITE

Jewel Price List

Effective May 1, 2008. All prices listed in US\$. All prices subject to change without notice.

Princess (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
2x2	0.04	***	***	***	78
2.5x2.5	0.08	***	***	***	78
3x3	0.14	***	***	***	40
3.5x3.5	0.21	***	***	***	40
4x4	0.33	***	***	***	21
4.5x4.5	0.44	***	***	***	21
5x5	0.64	***	***	***	21
5.5x5.5	0.83	***	***	***	10
6x6	1.07	***	***	***	10
6.5x6.5	1.35	***	***	***	10
7x7	1.64	***	***	***	10
7.5x7.5	2.08	***	***	***	10
8x8	2.51	***	***	***	10
8.5x8.5	2.87	***	***	***	10
9x9	3.49	***	***	***	5
9.5x9.5	3.97	***	***	***	5
10x10	4.80	***	***	***	5
10.5x10.5	5.38	***	***	***	5
11x11	6.31	***	***	***	5
11.5x11.5	7.23	***	***	***	5
12x12	8.14	***	***	***	5
12.5x12.5	8.86	***	***	***	5
13.0x13.0	9.94	***	***	***	5
Radiant (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
4x2	0.10	***	***	***	40
5x3	0.30	***	***	***	40
6x4	0.61	***	***	***	21
7x5	1.04	***	***	***	10
8x6	1.67	***	***	***	10
9x7	2.43	***	***	***	10
10x8	3.51	***	***	***	10
11x9	4.79	***	***	***	5
12x10	6.45	***	***	***	5
14x10	8.41	***	***	***	5
14x12	11.72	***	***	***	5
SBC (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
2x2	0.04	***	***	***	78
2.5x2.5	0.11	***	***	***	78
3x3	0.16	***	***	***	40
3.5x3.5	0.24	***	***	***	40
4x4	0.37	***	***	***	21
4.5x4.5	0.51	***	***	***	21
5x5	0.71	***	***	***	21
5.5x5.5	0.91	***	***	***	10
6x6	1.18	***	***	***	10
6.5x6.5	1.50	***	***	***	10
7x7	1.88	***	***	***	10
7.5x7.5	2.28	***	***	***	10
8x8	2.78	***	***	***	10
8.5x8.5	3.28	***	***	***	10
9x9	3.94	***	***	***	5
9.5x9.5	4.62	***	***	***	5
10.0x10.0	5.29	***	***	***	5

All moissanite jewels on this page are sold by piece by size (mm).
average carat weights listed are for informational purposes only.

*** Confidential treatment requested pursuant to a request for confidential treatment filed with the Securities and Exchange Commission.
Omitted portions have been filed separately with the Commission.

** CONFIDENTIAL **

© 2008 Charles & Colvard®, Ltd. All Rights Reserved.

4 of 5

670.283.2.PFB
Rev. 03/21/08

CHARLES & COLVARD
Created
MOISSANITE

Jewel Price List

Effective May 1, 2008. All prices listed in US\$. All prices subject to change without notice.

Triangle (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
2x2x2	0.02	***	***	***	78
2.5x2.5x2.5	0.06	***	***	***	78
3x3x3	0.09	***	***	***	78
3.5x3.5x3.5	0.14	***	***	***	40
4x4x4	0.21	***	***	***	40
4.5x4.5x4.5	0.30	***	***	***	21
5x5x5	0.40	***	***	***	21
5.5x5.5x5.5	0.52	***	***	***	21
6x6x6	0.67	***	***	***	21
6.5x6.5x6.5	0.83	***	***	***	10
7x7x7	1.06	***	***	***	10
7.5x7.5x7.5	1.28	***	***	***	10
8x8x8	1.48	***	***	***	10
8.5x8.5x8.5	1.79	***	***	***	10
9x9x9	2.12	***	***	***	10
9.5x9.5x9.5	2.41	***	***	***	10
Trillion (mm)	Average Carat Weight	Price	Suggested Wholesale	Suggested Retail	Tray Capacity
2x2x2	0.02	***	***	***	78
2.5x2.5x2.5	0.06	***	***	***	78
3x3x3	0.08	***	***	***	78
3.5x3.5x3.5	0.13	***	***	***	40
4x4x4	0.18	***	***	***	40
4.5x4.5x4.5	0.27	***	***	***	21
5x5x5	0.36	***	***	***	21
5.5x5.5x5.5	0.47	***	***	***	21
6x6x6	0.61	***	***	***	21
6.5x6.5x6.5	0.74	***	***	***	10
7x7x7	0.94	***	***	***	10
7.5x7.5x7.5	1.16	***	***	***	10
8x8x8	1.44	***	***	***	10
8.5x8.5x8.5	1.66	***	***	***	10
9x9x9	2.16	***	***	***	10
9.5x9.5x9.5	2.41	***	***	***	10
10x10x10	2.77	***	***	***	5
10.5x10.5x10.5	3.34	***	***	***	5
11x11x11	3.85	***	***	***	5

All moissanite jewels on this page are sold by piece by size (mm),
average carat weights listed are for informational purposes only.

*** Confidential treatment requested pursuant to a request for confidential treatment filed with the Securities and Exchange Commission. Omitted portions have been filed separately with the Commission.

** CONFIDENTIAL **

© 2008 Charles & Colvard[®], Ltd. All Rights Reserved.

5 of 5

670.283.2.PFB
Rev. 03/21/08

{Charles & Colvard Logo}

NEWS RELEASE

300 Perimeter Park Drive, Suite A
Morrisville, North Carolina 27560
919.468.0399

Company Contact:

Timothy Krist
Chief Financial Officer
919.468.0399, ext. 295
tkrist@charlesandcolvard.com

Investor Relations:

Fran Barsky
919.244.7357
fbarsky@charlesandcolvard.com

FOR IMMEDIATE RELEASE

CHARLES & COLVARD SIGNS NEW AND EXPANDED DISTRIBUTION AGREEMENT WITH STULLER, INC.

North America's Largest Supplier of Gemstones and Jewelry-Related Products

MORRISVILLE, N.C., November 6, 2009 - Charles & Colvard, Ltd. (NASDAQ: CTHR), the sole manufacturer of moissanite jewels, The Most Brilliant Jewel in the World™, announced today that it has signed a new and expanded distribution agreement with Stuller, Inc. (Stuller), North America's largest manufacturer and supplier of gemstones, finished jewelry and jewelry-related products to independent retail jewelers.

Under the terms of the agreement, Stuller has the right to sell Charles & Colvard Created Moissanite as either a loose jewel or in manufactured jewelry in North America through December 31, 2010. Together, Stuller and Charles & Colvard will collaborate to increase moissanite sales in the near-term as well as build a foundation for a sustainable long-term partnership.

George R. Cattermole, Interim Chief Executive Officer and Chairman of the Board of Charles & Colvard stated, "Stuller is a premier organization with an excellent reputation among its customer base and within the jewelry industry. We are very proud to be part of the Stuller distribution network. We look forward to working closely with the Stuller team to grow the Charles & Colvard brand, and we believe the provisions of our new agreement will help us both to fulfill this objective."

"We are extremely pleased to renew our agreement with Charles & Colvard," said Kerry Hand, Stuller's Executive Director of Marketing and Public Relations. "We believe many retail jewelers have come to truly appreciate the business opportunity created by Charles & Colvard Created Moissanite. For this reason, we look forward to re-establishing a strong brand among fashion-minded consumers in the North American jewelry market."

About Charles & Colvard, Ltd.

Charles & Colvard, Ltd. (NASDAQ: CTHR), based in the Research Triangle Park area of North Carolina, is the global sole source of lab-created moissanite, a unique, near-colorless jewel that is distinct from other gemstones and jewels based on its exceptional fire, brilliance, luster, durability and rarity. Charles & Colvard Created Moissanite is currently used in fine jewelry sold primarily through domestic and international retailers. For more information, please access www.moissanite.com or www.charlesandcolvard.com.

Charles & Colvard and Charles & Colvard Created Moissanite are registered trademarks of Charles & Colvard, Ltd.

About Stuller, Inc.

Stuller, Inc. is headquartered in Lafayette, Louisiana and was founded by Matthew Stuller in 1970. The prime jewelry manufacturer has nine operations located on three continents around the world and provides a wide range of goods and services for its customer base of more than 40,000 jewelry professionals. Stuller's core product categories include diamonds, gemstones, finished jewelry, mountings, findings, bridal jewelry, tools and supplies.

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Statements expressing expectations regarding our future and projections relating to products, sales, revenues, and earnings are typical of such statements and are made under the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our plans, objectives, representations, and contentions and are not historical facts and typically are identified by use of terms such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "continue," and similar words, although some forward-looking statements are expressed differently.

All forward-looking statements are subject to the risks and uncertainties inherent in predicting the future. You should be aware that although the forward-looking statements included herein represent management's current judgment and expectations, our actual results may differ materially from those projected, stated, or implied in these forward-looking statements as a result of many factors including, but not limited to, the recent downturn in the worldwide economy and its ongoing impact on our business and the business of our customers and suppliers, any continued trends in the general economy that would adversely affect consumer spending, a further decline in our sales, dependence on consumer acceptance of our products, dependence on Cree, Inc. as the current supplier of most of the raw material, ability to develop a material second source of supply, dependence on a limited number of customers, risks of conducting operations in foreign countries, dependence on third parties for the sales and marketing of our products to end consumers, continued listing of our common stock on the NASDAQ Global Select Market, and the impact of significant changes in our management on our ability to execute our business strategy in the near-term, in addition to the other risks and uncertainties described in more detail in our filings with the Securities and Exchange Commission, or the SEC, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and subsequent reports filed with the SEC. Forward-looking statements speak only as of the date they are made. We undertake no obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur except as required by the federal securities laws, and you are urged to review and consider disclosures that we make in the reports that we file with the SEC, that discuss other factors relevant to our business.

###