
**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

June 26, 2009 (Date of earliest event reported)

Commission file number: 000-23329

Charles & Colvard, Ltd.

(Exact name of registrant as specified in its charter)

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

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

300 Perimeter Park Drive, Suite A
Morrisville, North Carolina 27560
(Address of principal executive offices)
(Zip code)

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

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))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(d) On June 26, 2009, the Board of Directors (the "Board") of Charles & Colvard, Ltd. (the "Company") appointed Dr. Charles D. Lein to serve as a director of the Company, effective immediately. The Board also appointed Dr. Lein to serve as a member of the Board's Compensation Committee and the Nominating and Governance Committee, effective immediately. Pursuant to the Company's director compensation policy as described in the Company's Proxy Statement for the 2009 Annual Meeting of Shareholders, and as such policy may be amended from time to time, Dr. Lein, as a non-employee director, was granted an award of 98,039 shares of restricted stock of the Company, pursuant to the Company's 2008 Stock Incentive Plan and the related restricted stock award agreement, and will also receive an annual retainer and per meeting fees for attendance at regularly scheduled Board and committee meetings. The grant of restricted stock will vest 100% on the date of the Company's 2010 Annual Meeting of Shareholders.

A copy of the press release announcing Dr. Lein's appointment to the Board, dated June 29, 2009, is attached to this Current Report on Form 8-K (the "Report") as Exhibit 99.1.

Item 8.01 Other Events.

On June 30, 2009, the Company issued a press release announcing that the Company has settled its lawsuit filed on June 16, 2008 against Jewelnet Corporation d/b/a K&G Creations under acceptable terms that are not material to the Company's financial position in order to avoid further litigation expenses and to dispose of the case. A copy of the press release is attached to this Report as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits.

(d)

99.1 Press Release, dated June 29, 2009.

99.2 Press Release, dated June 30, 2009.

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.

By: /s/ Richard A. Bird
Richard A. Bird
Chief Executive Officer

Date: July 2, 2009

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
Exhibit 99.1	Press Release, dated June 29, 2009.
Exhibit 99.2	Press Release, dated June 30, 2009.

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

Company Contact:
 Richard A. Bird, CEO
 919.468.0399, ext. 224
 rbird@charlesandcolvard.com

Investor Relations:
 Deborah K. Pawlowski
 Investor Relations
 716.843.3908
 dpawlowski@keiadvisors.com

FOR IMMEDIATE RELEASE

Charles & Colvard Appoints Dr. Charles D. Lein to Board of Directors

MORRISVILLE, North Carolina, June 29, 2009 - Charles & Colvard, Ltd. (NASDAQ: CTHR), the sole manufacturer of moissanite jewels, The Most Brilliant Jewel in the World, announced today the appointment of Dr. Charles D. Lein to the company's board of directors. Dr. Lein, retired President and Chief Operating Officer of Stuller, Inc., a world leader in jewelry manufacturing and wholesaling, has more than 27 years of experience in the jewelry, wholesale and retail industries. Dr. Lein's appointment increases the size of the company's board of directors to five.

George R. Cattermole, Chairman of the Board, commented, "Dr. Lein's extensive qualifications, leadership skills, proven business acumen and in-depth understanding of the global jewelry industry, markets, and customers make him a very unique and valued addition to our board. We welcome Dr. Lein to our team and look forward to working with him to expand our markets worldwide and grow our business."

Charles & Colvard's strategy is to market moissanite very broadly around the world as a jewel to be desired by everyone for every occasion.

Prior to Stuller, Inc., Dr. Lein spent 12 years in the jewelry industry as Chairman, President and CEO of Black Hills Jewelry Manufacturing Co. in Rapid City, South Dakota, where he was responsible for all operations, including the development of substantial domestic and international markets and account relationships with thousands of independent jewelry retailers and almost all major retail jewelry chains. Prior to the jewelry industry, Dr. Lein held various positions in education, including Dean of the College of Business at Boise State University and became the youngest state university president in the United States, when he was appointed President of The University of South Dakota in 1977.

Dr. Lein has served on a wide range of business and education boards including Albertson's Inc., where he served for 28 years.

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

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Charles & Colvard Appoints Dr. Charles D. Lein to Board of Directors**June 29, 2009**

and international retailers. For more information, please access www.moissanite.com or www.charlesandcolvard.com.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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,” “potential,” “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 the Company’s 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, continued listing of our common stock on the NASDAQ Global Select Market, the impact of significant changes in our management on our ability to execute our business strategy in the near term and the impact of adverse resolution of legal proceedings on our operating results or financial condition. These and other risks and uncertainties, many of which are addressed in more detail in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, could cause our actual results and developments to be materially different from those expressed or implied by any of these forward-looking statements. 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 Securities and Exchange Commission that discuss other factors relevant to our business.

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Company Contact:
Richard A. Bird, CEO
919.468.0399, ext. 224
rbird@charlesandcolvard.com

Investor Relations:
Deborah K. Pawlowski
Investor Relations
716.843.3908
dpawlowski@keiadvisors.com

FOR IMMEDIATE RELEASE**Charles & Colvard Settles K&G Litigation**

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Charles & Colvard Settles K&G Litigation**June 29, 2009**

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