

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2000

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 000-23329
Charles & Colvard, Ltd. (formerly C3, Inc.)

(Exact name of Registrant as specified in its charter)

North Carolina

56-1928817

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

3800 Gateway Boulevard, Suite 311, Morrisville, N.C. 27560

(Address of principal executive offices)

919-468-0399

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

As of November 8, 2000 there were 7,200,979 shares of the Registrant's Common Stock, no par value per share, outstanding.

Charles & Colvard, Ltd.
(formerly C3, Inc.)
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Part I. Financial Information

Item 1. Financial Statements

Charles & Colvard, Ltd.
(formerly C3, Inc.)
Condensed Statements Of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Net sales	\$ 2,874,329	\$ 2,169,539	\$ 9,533,200	\$ 8,932,615
Cost of goods	1,399,622	949,535	4,432,801	4,676,790
Gross profit	1,474,707	1,220,004	5,100,399	4,255,825
Operating expenses:				
Marketing and sales	1,753,617	1,461,286	5,769,546	3,236,924
General and administrative	608,751	815,843	2,725,073	2,256,653
Research and development	279,278	682,237	1,135,069	2,274,987
Other	108	--	253,309	--
Total operating expenses	2,641,754	2,959,366	9,882,997	7,768,564
Operating loss	(1,167,047)	(1,739,362)	(4,782,598)	(3,512,739)
Interest income, net	106,336	291,949	361,216	978,290
Net loss	\$ (1,060,711)	\$ (1,447,413)	\$ (4,421,382)	\$ (2,534,449)
Basic and diluted net loss per share	\$ (0.15)	\$ (0.21)	\$ (0.62)	\$(0.36)
Weighted-average common shares, basic and diluted	7,199,667	7,054,383	7,155,708	7,021,339

See Notes to Condensed Financial Statements.

Charles & Colvard, Ltd
(formerly C3, Inc.)
Condensed Balance Sheets

	September 30, 2000	December 31, 1999
	-----	-----
Assets	(Unaudited)	
Current Assets:		
Cash and equivalents	\$ 4,084,213	\$ 13,161,665
Receivables:		
Trade	1,848,571	1,331,528
Cree, Inc.	1,101,718	--
Interest	17,546	74,999
Inventories	21,377,633	14,767,888
Prepaid expenses and other assets	2,358,801	659,821
	-----	-----
Total current assets	30,788,482	29,995,901
Equipment, net	663,430	6,292,221
Patent and license rights, net	367,756	492,780
	-----	-----
Total assets	\$ 31,819,668	\$ 36,780,902
	=====	=====
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable:		
Cree, Inc.	\$ 1,011,350	\$ 2,305,218
Other	633,215	627,704
Accrued expenses	451,265	235,107
Deferred revenue	197,372	118,730
	-----	-----
Total current liabilities	2,293,202	3,286,759
Commitments		
Shareholders' Equity:		
Common stock	49,226,697	48,757,702
Additional paid-in capital - stock options	1,936,276	1,951,566
Accumulated deficit	(21,636,507)	(17,215,125)
	-----	-----
Total shareholders' equity	29,526,466	33,494,143
	-----	-----
	\$ 31,819,668	\$ 36,780,902
	=====	=====

See Notes to Condensed Financial Statements

Charles & Colvard, Ltd.
(formerly C3, Inc.)
Condensed Statements Of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2000	1999
Operating Activities:		
Net loss	\$ (4,421,382)	\$(2,534,449)
Adjustments:		
Depreciation and amortization	516,351	474,811
Stock option compensation	158,898	210,496
Loss on disposal of long-term assets	267,072	--
Change in provision for uncollectible accounts	360,000	(27,000)
Changes in operating assets and liabilities:		
Net change in assets	(4,338,683)	(7,830,231)
Net change in liabilities	(1,884,907)	2,629,853
Net cash used in operating activities	(9,342,651)	(7,076,520)
Investing Activities:		
Purchase of equipment	(23,772)	(3,010,790)
Patent and license rights costs	(48,286)	(310,001)
Proceeds from sale of equipment	42,450	--
Net cash used in investing activities	(29,608)	(3,320,791)
Financing Activities:		
Stock options exercised	294,807	366,922
Net cash provided by financing activities	294,807	366,922
Net decrease in cash and equivalents	(9,077,452)	(10,030,389)
Cash and equivalents, beginning of period	13,161,665	32,004,045
Cash and equivalents, end of period	\$ 4,084,213	\$21,973,656

Supplemental non-cash investing activity:

In May 2000, the Company sold its crystal growth equipment to Cree, Inc. (Cree) for \$5,000,000. The \$5 million receivable from this transaction will be reduced by future purchases from Cree, with any remaining balance due in full by June 30, 2001.

Supplemental non-cash operating activity:

During the Nine months ended September 30, 2000, there was \$4,368,415 of inventory purchases financed by the receivable from Cree.

See Notes to Condensed Financial Statements.

Charles & Colvard, Ltd.
(formerly C3, Inc.)
Notes To Condensed Financial Statements
(Unaudited)

1. Basis Of Presentation

The accompanying unaudited financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America for interim financial information. However, certain information or footnote disclosures normally included in complete financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed, or omitted, pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, the financial statements include all normal recurring adjustments which are necessary for the fair presentation of the results of the interim periods presented. Interim results are not necessarily indicative of results for the year. Certain reclassifications have been made to prior year's financial statements to conform to the classifications used in fiscal 2000. These financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 1999, as set forth in the Company's Form 10-K, filed with the Securities and Exchange Commission on March 27, 2000.

In preparing financial statements that conform with accounting principles generally accepted in the United States of America, management must make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and amounts of revenues and expenses reflected during the reporting period. Actual results could differ from those estimates.

The Company has adopted a strategy designed to achieve sustainable profitability and positive cash flow in 2001. In order to meet these goals, the Company believes that it must continue at least the approximate rate of growth in sales achieved in recent quarters (compared to the comparable quarter of the prior year), effectively manage its overhead costs, advertising expenditures and other expenses, as well as reduce raw material purchases and existing inventories.

During the second and third quarter of 2000, the Company realigned its overhead cost structure consistent with its new business model to lower its general and administrative expenses and it intends to continue monitoring these expenses to restrain overhead growth. With respect to advertising, the Company paid for substantially all of its fourth quarter advertising during the third quarter of 2000 and, beginning in the first quarter of 2001, the Company plans to advertise and promote its products only as resources are generated from operations. Its new business model adopted in early 2000 and this new advertising strategy are intended to allow the Company to achieve its sales targets and the Company believes its distribution channels are sufficient to achieve these goals. With respect to raw materials, the Company believes it has sufficient cash resources to meet all its remaining commitments to Cree, Inc. for the purchase of SiC crystals during the fourth quarter, which total approximately \$2.1 million. The Company's commitments expire as of December 31, 2000 and it plans on purchasing a much lower volume of SiC crystals in 2001 as it lowers inventories to meet sales volume.

Assuming the Company is able to meet its sales targets and substantially reduce SiC crystal purchases and its existing inventory levels while controlling overhead and advertising costs, the Company believes that it will begin to generate positive cash flows from operating activities during 2001. However, there can be no assurances that the Company will be able to meet its objectives or that its resources will be sufficient to continue the Company's operations without additional financing if the Company is not able to meet its goals. As previously disclosed, the Company had been seeking additional financing to provide greater financial flexibility. However, these efforts have been unsuccessful and, if the Company requires additional financing in the future, there can be no assurance that the Company will be able to secure such financing or, if available, that it will be available on terms acceptable to the Company.

2. Inventories

Inventories are stated at the lower of cost or market determined on a first in, first out basis. Test instruments are shown net of a reserve for excess inventory of approximately \$377,000 and \$242,000 at September 30, 2000 and December 31, 1999, respectively.

	September 30, 2000	December 31, 1999
Moissanite		
Raw materials	\$ 28,536	\$ 371,843
Work-in-process	3,570,890	5,779,326
Finished goods	17,552,452	8,127,119
	21,151,878	14,278,288
Test Instruments	225,755	489,600
Total Inventory	\$ 21,377,633	\$ 14,767,888

3. Prepaid Expenses and Other Assets

At September 30, 2000, prepaid expenses consisted of approximately \$2.1 million of advertising expenses that will be changed to operations during the fourth quarter of 2000 as the advertising runs.

4. Stock Based Compensation

During the quarter and nine months ended September 30, 2000, in accordance with Accounting Principles Board Opinion No. 25, the Company recorded compensation expense of \$47,688 and \$158,898, respectively, relating to stock options. Compensation expense related to stock options for the quarter and nine months ended September 30, 1999 was \$58,665 and \$210,496, respectively. This compensation expense is recorded in general and administrative expense in the statements of operations.

5. Newly Issued Accounting Pronouncements

In June 1998, Statement of Financial Accounting Standards No. 133 ("FAS 133"), Accounting for Derivative Instruments and Hedging Activities, was issued. This statement establishes standards for valuing and reporting at fair value all derivative instruments as either assets or liabilities. FAS 133, as amended by FAS 137, is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. Management believes the adoption of FAS 133 will not have a material effect on its financial statements.

On December 3, 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) No. 101, Revenue Recognition in Financial Statements. SAB No. 101 provides guidance on the recognition, presentation and disclosures of revenue in financial statements filed with the Commission and is required to be implemented no later than the fourth quarter of fiscal 2000. Management believes the adoption of SAB No. 101 will not have a material effect on its financial statements.

Item 2. Management's Discussion And Analysis Of Financial Condition And Results of Operations

This report 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. These forward-looking statements represent the Company's judgment on future events. Because the Company is in the early stages of building the Company's distribution channels and has not yet engaged in significant revenue-producing activities, and due to the early stage of the establishment, by Cree, Inc. ("Cree"), the Company's key supplier, of manufacturing processes the Company is subject to risks and uncertainties that could cause the Company's actual performance and results to differ materially from those projected or discussed herein. These and other risks and uncertainties are described under the heading "Business Risks" in the Company's Form 10-K for the year ended December 31, 1999, which was filed with the Securities and Exchange Commission on March 27, 2000. These risks and uncertainties could cause actual results and developments to be materially different from those expressed or implied by any of the forward-looking statements included herein.

Overview

The Company manufactures, markets and distributes Charles & Colvard created moissanite jewels (hereinafter referred to as moissanite or moissanite jewels) for sale in the worldwide jewelry market. Moissanite, also known by its chemical name, silicon carbide (SiC), is a rare, naturally occurring mineral found primarily in meteorites. As the sole manufacturer of scientifically-made moissanite jewels, the Company is creating a unique brand image which positions moissanite as a jewel in its own right, distinct from all other jewels based on its fire, brilliance, luster, durability and rarity.

From its inception in June 1995 through June 30, 1998, the Company was a development stage enterprise that devoted its resources to fund research and development of colorless, scientifically made moissanite jewels. At the same time, the Company assembled a management team, conducted market research and developed its strategic business plans. The Company began shipping moissanite to authorized retail jewelers in Atlanta and Miami/Ft. Lauderdale during the second quarter of 1998. At that time it launched limited consumer-focused advertising and promotion activities in those areas. In addition, the Company entered into exclusive distribution agreements with a number of international distributors.

Through the first half of 1999, the Company limited its efforts to expand the distribution of moissanite jewels as a result of limited product availability and the lack of confidence the Company had regarding the quality of the SiC crystals it was receiving. Late in the second quarter, the Company began to receive indications that the quality of the SiC crystals it was receiving was improving rapidly. The rate of improvement in the quality of the SiC crystals continued to accelerate through the end of 1999, far exceeding the Company's expectations. At the same time, the Company experienced a decline in shipments of moissanite jewels during the third quarter as a result of a slower than expected rate of adding retailers domestically, lack of targeted retailer-driven marketing programs abroad, and poor overall jewelry market performance in certain international markets. The improved supply of SiC crystals along with the decrease in sales led to a significant increase in inventories of moissanite jewels. In December 1999, the Company and Cree agreed to reschedule approximately 50% of the expected shipments of SiC crystals from Cree to the second half of 2000 from the first half of 2000.

With the improvements in the supply of salable moissanite jewels, the Company launched its strategic global marketing program in the fourth quarter of 1999 to spur consumer awareness of this new category of jewel. In addition, in March 2000, the Company entered into distribution agreements with Stuller Settings, Inc. ("Stuller") and Rio Grande, two of the largest suppliers of jewelry-related products to the jewelry industry, for the North American distribution of moissanite. The Company has also sought and has entered into several agreements with domestic jewelry manufacturers. The Company's decision to enter into agreements with Stuller, Rio Grande and jewelry manufacturers is intended to rapidly increase the introduction of moissanite into the domestic jewelry market.

As discussed below, the shift in the Company's domestic distribution strategy may affect the Company's historical relationships between revenues and expenses as well as the Company's liquidity and capital requirements.

Results Of Operations

Three Months ended September 30, 2000 compared with Three Months ended September 30, 1999.

Net sales were \$2,874,329 for the three months ended September 30, 2000 compared to \$2,169,539 for the three months ended September 30, 1999, an increase of \$704,790 or 32.5%. Increased shipments of moissanite jewels were offset by a reduction in the average selling price of moissanite jewels as the Company continues to experience the effects of the volume purchase discounts offered to the Company's new domestic distribution partners, Rio Grande and Stuller, and the Company's jewelry manufacturing partners. Shipments of moissanite jewels increased in the three months ended September 30, 2000 to approximately 15,000 carats from 10,000 carats in the three months ended September 30, 1999. The Company's new partners began their distribution efforts of moissanite during the second quarter of 2000. Their respective customer bases are beginning to be introduced to Charles & Colvard created moissanite and the Company expects carat shipments to these partners to increase significantly over time. At the same time, the Company expects average selling prices to remain stable or drop slightly depending on the mix of sizes sold.

The Company's gross profit margin was 51.3% for the three months ended September 30, 2000 compared to 56.2% for the three months ended September 30, 1999. The decrease in gross margins is attributed to lower average selling prices and the establishment of a reserve against certain jewelry inventory being closed out. The Company's average selling price per carat is decreased due to the volume discounts offered to the Company's large distributors.

Marketing and sales expenses were \$1,753,617 for the three months ended September 30, 2000 compared to \$1,461,286 for the three months ended September 30, 1999, an increase of \$292,331 or 20.0%. The increase resulted from increased advertising expenditures associated with the company's strategic global marketing program launched in the fourth quarter of 1999. This program, designed to increase consumer awareness, includes advertising on national cable television, national magazines, network television and movie theaters in certain targeted markets. The Company anticipates incurring approximately \$2.2 million in expenses related to this program during the fourth quarter of 2000, essentially all of which is included in prepaid expenses in the September 30, 2000 Balance Sheet.

General and administrative expenses were \$608,751 for the three months ended September 30, 2000 compared to \$815,843 for the three months ended September 30, 1999, a decrease of 207,092 or 25.4%. The decrease is attributable to the decreased costs associated with the restructuring of staff consistent with the new business model, as well as lower professional fees.

Research and development expenses were \$279,278 for the three months ended September 30, 2000 compared to \$682,237 for the three months ended September 30, 1999, a decrease of \$402,959 or 59.1%. The decrease resulted primarily from cost savings related to the reduction of development efforts by Cree effective September 1, 1999, from a funding level of \$240,000 per month to \$120,000 per month.

Net interest income was \$106,336 for the three months ended September 30, 2000 compared to \$291,949 for the three months ended September 30, 1999, a decrease of \$185,613 or 63.6%. This decrease resulted from lower interest income earned on lower cash balances, due primarily to the use of the invested proceeds from the Company's initial public offering in November 1997.

Nine Months ended September 30, 2000 compared with Nine Months ended September 30, 1999.

Net sales were \$9,533,200 for the nine months ended September 30, 2000 compared to \$8,932,615 for the nine months ended September 30, 1999, an increase of \$600,585 or 6.7%. Increased shipments of moissanite jewels were offset by a reduction in the average selling price of moissanite jewels as the Company continues to experience the effects of the volume purchase discounts offered to the Company's new domestic distribution partners, Rio Grande and Stuller, and the Company's jewelry manufacturing partners. Shipments of moissanite jewels increased in the nine months ended September 30, 2000 to approximately 50,000 carats from approximately 40,000 carats in the nine months ended September 30, 1999. The Company's new partners began their distribution efforts of moissanite during the second quarter of 2000. Their respective customer bases are beginning to be introduced to Charles & Colvard created moissanite and the Company expects carat shipments to these partners to increase

significantly over time. At the same time, the Company expects average selling prices to remain stable or drop slightly depending on the mix of sizes sold.

The Company's gross profit margin was 53.5% for the nine months ended September 30, 2000 compared to 47.6% for the nine months ended September 30, 1999. The increased gross margin rate relates to significantly improved yield of moissanite jewels from SiC crystals and a higher percentage of sales of higher margin larger size jewels, which effects were partially offset by a reduction in the per carat average selling price of moissanite jewels in 2000.

Marketing and sales expenses were \$5,769,546 for the nine months ended September 30, 2000 compared to \$3,236,924 for the nine months ended September 30, 1999, an increase of \$2,532,622 or 78.2%. The increase resulted from increased advertising expenditures associated with the company's strategic global marketing program launched in the fourth quarter of 1999. This program, designed to increase consumer awareness, includes advertising on national cable television, national magazines, network television and movie theaters in certain targeted markets. The Company anticipates incurring approximately \$2.2 million in expenses related to this program during the fourth quarter of 2000, essentially all of which is included in prepaid expenses in the September 30, 2000 Balance Sheet.

General and administrative expenses were \$2,725,073 for the nine months ended September 30, 2000 compared to \$2,256,653 for the nine months ended September 30, 1999, an increase of \$468,420 or 20.8%. The increase resulted primarily from an increase in the Company's allowance for uncollectible accounts, costs associated with increased rent on the Company's expanded facility, increased insurance and taxes on the Company's increased fixed assets, and restructuring of staff and customer's relationship consistent with the new business model (primarily severance costs).

Research and development expenses were \$1,135,069 for the nine months ended September 30, 2000 compared to \$2,274,987 for the nine months ended September 30, 1999, a decrease of \$1,139,918 or 50.1%. The decrease resulted primarily from cost savings related to the reduction of development efforts by Cree effective September 1, 1999, from a funding level of \$240,000 per month to \$120,000 per month.

Other expenses for the nine months ended September 30, 2000 amounted to \$253,309, which resulted primarily from the loss on the sale of crystal growth equipment to Cree and the disposition of certain other assets.

Net interest income was \$361,216 for the nine months ended September 30, 2000 compared to \$978,290 for the nine months ended September 30, 1999, a decrease of \$617,074 or 63.1%. This decrease resulted from lower interest income earned on lower cash balances, due primarily to the use of the invested proceeds from the Company's initial public offering in November 1997.

Liquidity And Capital Resources

The Company has financed its operations since inception primarily through the net proceeds of its initial public offering of common stock in November 1997 and, prior to such offering, through private equity sales. Net proceeds from the Company's initial public offering were \$41,072,982. During the nine months ended September 30, 2000, the Company used approximately \$9,343,000 to fund operations and \$72,000 to fund capital expenditures and patent expenses. In addition, during the same period, the Company received approximately \$42,000 in proceeds from the sale of equipment and \$295,000 from the exercise of stock options. At September 30, 2000, the Company had \$4,084,213 of cash and cash equivalents and \$28,495,280 of working capital.

In May 2000, the Company agreed to sell its crystal growth equipment to Cree, Inc. for \$5 million. This transaction resulted in a loss on disposal of fixed assets of approximately \$177,000 in the second quarter of 2000. The \$5 million receivable from Cree will be reduced by future purchases from Cree, with any remaining balance due in full by June 30, 2001. At September 30, 2000, the amount receivable from Cree as a result of this transaction was \$1,101,718.

The 4-year Development Agreement, as amended, between the Company and Cree requires the Company to fund a development program at Cree for \$1.44 million annually through June 30, 2002. Either party may terminate the agreement if Cree does not meet the annual performance milestone or if the Company and Cree do not mutually

agree on the performance milestones for the ensuing year.

The Company has adopted a strategy designed to achieve sustainable profitability and positive cash flow in 2001. In order to meet these goals, the Company believes that it must continue at least the approximate rate of growth in sales achieved in recent quarters (compared to the comparable quarter of the prior year), effectively manage its overhead costs, advertising expenditures and other expenses, as well as reduce raw material purchases and existing inventories.

During the second and third quarter of 2000, the Company realigned its overhead cost structure consistent with its new business model to lower its general and administrative expenses and it intends to continue monitoring these expenses to restrain overhead growth. With respect to advertising, the Company paid for substantially all of its fourth quarter advertising during the third quarter of 2000 and, beginning in the first quarter of 2001, the Company plans to advertise and promote its products only as resources are generated from operations. Its new business model adopted in early 2000 and this new advertising strategy are intended to allow the Company to achieve its sales targets and the Company believes its distribution channels are sufficient to achieve these goals. With respect to raw materials, the Company believes it has sufficient cash resources to meet all its remaining commitments to Cree, Inc. for the purchase of SiC crystals during the fourth quarter, which total approximately \$2.1 million. The Company's commitments expire as of December 31, 2000 and it plans on purchasing a much lower volume of SiC crystals in 2001 as it lowers inventories to meet sales volume.

Assuming the Company is able to meet its sales targets and substantially reduce SiC crystal purchases and its existing inventory levels while controlling overhead and advertising costs, the Company believes that it will begin to generate positive cash flows from operating activities during 2001. However, there can be no assurances that the Company will be able to meet its objectives or that its resources will be sufficient to continue the Company's operations without additional financing if the Company is not able to meet its goals. As previously disclosed, the Company had been seeking additional financing to provide greater financial flexibility. However, these efforts have been unsuccessful and, if the Company requires additional financing in the future, there can be no assurance that the Company will be able to secure such financing or, if available, that it will be available on terms acceptable to the Company.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company believes that its exposure to market risk for changes in interest rates is not significant because the Company's investments are limited to highly liquid instruments with maturities of three months or less. At September 30, 2000 the Company had approximately \$3.5 million of short-term investments classified as cash and equivalents. All of the Company's transactions with international customers and suppliers are denominated in US dollars.

Part II - Other Information

Item 6. Exhibits And Reports On Form 8-K

(a) Exhibits

Exhibit No.	Description
27.1	Financial Data Schedule

(b) Reports on Form 8-K

The Company did not file any reports on Form 8-K during the quarter ended September 30, 2000.

Signatures

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 thereunto duly authorized.

Charles & Colvard, Inc. (formerly C3, Inc.)

Date: November 8, 2000

/s/ Robert S. Thomas

Robert S. Thomas
President & Chief Executive Officer
(Principal Executive Officer)

Date: November 8, 2000

/s/ Mark W. Hahn

Mark W. Hahn
Chief Financial Officer
(Principal Financial and
Accounting Officer)

This Schedule Contains Summary Financial Information Extracted From The Condensed Balance Sheet As Of September 30, 2000 And The Condensed Statement Of Operations For The Nine Months Ended September 30, 2000 And Is Qualified In Its Entirety By Reference To Such Financial Statements.

	9-MOS	
DEC-31-2000		
JAN-01-2000		
SEP-30-2000		
	4,084,213	
	0	
	2,967,835	
	516,355	
	21,377,633	
	30,788,482	
	1,061,242	
	397,812	
	31,819,668	
2,293,202		0
	0	0
	49,226,697	
	(19,700,231)	
31,819,668		
	9,533,200	
	9,533,200	
	4,432,801	
	4,432,801	
	0	
	0	
	0	
	(4,421,382)	
	0	
(4,421,382)		0
	0	
	0	
	(4,421,382)	
	(0.62)	
	(0.62)	