
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): 05/19/2006

CHARLES & COLVARD LTD

(Exact name of registrant as specified in its charter)

Commission File Number: 000-23329

NC
(State or other jurisdiction of
incorporation)

561928817
(IRS Employer
Identification No.)

300 Perimeter Park Drive, Suite A, Morrisville, NC 27560
(Address of principal executive offices, including zip code)

9194680399
(Registrant's telephone number, including area code)

(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))
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Item 8.01. Other Events

On May 18, 2006, Charles & Colvard, Ltd. issued a press release announcing that in order to facilitate the previously announced repurchase of up to one million shares of the Company's common stock, its Board of Directors has approved a written stock repurchase plan that will be administered by Raymond James & Associates, Inc. in accordance with Rule 10b5-1 and Rule 10b-18 under the Securities Exchange Act of 1934. A copy of the press release is attached as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Exhibit Description
99.1	Press Release dated May 18, 2006

Signature(s)

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

Date: May 19, 2006

By: /s/ James R. Braun

James R. Braun
Vice President of Finance & Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
EX-99.1	Press Release date May 18, 2006

Charles & Colvard Adopts Rule 10b5-1 Stock Repurchase Plan

MORRISVILLE, N.C.--(BUSINESS WIRE)--May 18, 2006--Charles & Colvard, Ltd. (NASDAQ:CTHR - News) today announced that in order to facilitate the repurchase of up to 1 million outstanding shares of the Company's common stock, as previously announced by the Company on March 27, 2006, its Board of Directors has approved a written stock repurchase plan that will be administered by Raymond James & Associates, Inc. (NYSE:RJF - News). The repurchase plan, which will be conducted in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, and the Company's existing policies and procedures regarding securities transactions, will allow the Company to purchase up to 100,000 shares of the Company's common stock between May 17 and September 11, 2006 in the open market at prevailing prices.

Rule 10b5-1 enables issuers such as Charles & Colvard to establish a stock trading plan for the orderly sale and/or purchase of predetermined amounts of securities over a specified amount of time and at specific prices in the future, even if subsequent material and nonpublic information becomes available. Such plans may be initiated only when Charles & Colvard is not in possession of material nonpublic information.

Charles & Colvard, based in the Research Triangle Park area of North Carolina, is the sole source of moissanite, a created jewel used in fine jewelry. Moissanite is near-colorless, with more fire, brilliance and luster than a fine diamond, but retails for only a fraction of the cost. For more information, please access www.moissanite.com.

This press release may contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to a number of material risks, uncertainties and contingencies that could cause actual results to differ materially from those set forth in the forward-looking statements. 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. Those risks and uncertainties include but are not limited to the Company's ability to manage growth effectively, dependence on Cree Inc. as the current supplier of the substantial majority of the raw material and risks inherent in developing a material second source of supply through Norstel AB and Intrinsic Semiconductor, Inc., dependence on a limited number of distributors such as K&G Creations, Reeves Park and Stuller Settings, Inc., dependence on continued growth and consumer acceptance of the Company's products, and other risks and uncertainties set forth in the Company's Form 10-K for the year ended December 31, 2005 and other filings with the Securities and Exchange Commission. You should be aware that the forward-looking statements included herein represent management's current judgment and expectations, but our actual results, events and performance could differ materially from those expressed or implied by forward-looking statements. We do not intend to update any of these forward-looking statements or publicly announce the results of any revisions to these forward-looking statements, other than as is required under the federal securities laws.

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-OR-

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