FORM 4

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

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940 OMB APPROVAL

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Name and Address of Reporting Per Reed, Dennis M	rson*	Issuer Name and Ticker or Trading Symbol	Statement for (Month/Day/Year	Relationship of Reporting Person(s) to Issuer (Check all applicable)
(Last) (First) (Middle) C/O Charles & Colvard, Ltd 3800 Gateway Blvd., Suite 310		Charles & Colvard, Ltd.	02/14/2003	_ Director _ 10% Owner X Officer (give title below) _ Other (specify below)
(Street) Morrisville, NC 27560		I.R.S. Identification Number of Reporting Person, if an entity (voluntary)	5. If Amendment, Date of Original (Month/Day/Year)	Description VP of Sales 7. Individual or Joint/Group Filing (Check Applicable Line)
(City) (State)	(Zip)			X 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)	Code	Transaction Of (D)				5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	Securities ship Beneficially Form: Owned Direct (D) ollowing or Reported Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)		
			Code	٧	Amount	A/D	Price	(Instr. 3 and 4)	(Instr. 4)			

	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. Transa Code (Ins		5. Number of Derivative Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)		6. Date Exer and Expiration (Month/Da	Date(ED)	7. Title and Amount of Underlying Securities (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. Owner- ship Form of Deriv- ative Securities: Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership (Instr.4)
				Code	V	А	D	DE	ED	Title	Amount or Number of Shares			(Instr.4)	
stock option (right to buy)	\$4.46	02/13/2003		А		5,000		02/13/2003	02/13/2013	common stock	5,000		5,000	D	

Explanation of Responses:

Date:

/s/ Dennis M. Reed 02/14/2003

** Signature of Reporting Person SEC 1474 (9-02)

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.
 Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.