

HINES EARL R
Form 4
November 09, 2005

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
HINES EARL R

2. Issuer Name and Ticker or Trading Symbol
CHARLES & COLVARD LTD
[CTHR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)

Senior VP of Manufacturing

C/O CHARLES & COLVARD, 300 PERIMETER PARK DRIVE, SUITE A

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

MORRISVILLE, NC 27560

(City) (State) (Zip)

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)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
common stock	11/07/2005		M		20,000	A	\$ 4.248 33,828 D
common stock	11/07/2005		M		175	A	\$ 5.286 175 I Spouse
common stock	11/07/2005		M		175	A	\$ 3.952 350 I Spouse
common stock	11/07/2005		M		105	A	\$ 3.8 455 I Spouse
	11/07/2005		M		174	A	629 I Spouse

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common stock						\$ 4.876		
common stock	11/07/2005		S	629	D	\$ 24.65	0	I Spouse
common stock	11/07/2005		S	10,000	D	\$ 24.5	23,828	D
common stock	11/07/2005		S	10,000	D	\$ 24.6	13,828	D
common stock	11/07/2005		S	11,744	D	\$ 24.7	2,084	D
common stock	11/07/2005		S	1,227	D	\$ 24.65	857	D
common stock	11/08/2005		S	657	D	\$ 24.7	200	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
stock option (right to buy)	\$ 4.248	11/07/2005		M	20,000	02/13/2003 02/12/2013	common stock	20,000
stock option (right to buy)	\$ 5.286	11/07/2005		M	175	(1) 04/22/2012	common stock	175
stock option (right to buy)	\$ 3.952	11/07/2005		M	175	(2) 07/16/2012	common stock	175

buy)										
stock option (right to buy)										
\$ 3.8	11/07/2005		M	105	<u>(3)</u>	10/17/2012	common stock			105
stock option (right to buy)										
\$ 4.876	11/07/2005		M	174	<u>(4)</u>	04/26/2014	common stock			174

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HINES EARL R C/O CHARLES & COLVARD 300 PERIMETER PARK DRIVE, SUITE A MORRISVILLE, NC 27560				Senior VP of Manufacturing

Signatures

Earl Hines 11/09/2005

__Signature of
Reporting Person

Date

Explanation of Responses:

- * 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).
- (1) There were 525 total options granted on 4/22/02 that became exercisable in three equal installments on 4/22/03, 4/22/04, & 4/22/05
 - (2) There were 525 total options granted on 7/17/02 that became exercisable in three equal installments on 7/17/03, 7/17/04, & 7/17/05
 - (3) There were 315 total options granted on 10/17/02 that became exercisable in three equal installments on 10/17/03, 10/17/04, & 10/17/05
 - (4) There were 525 total options granted on 4/27/04 that become exercisable in three equal installments on 4/27/05, 4/27/06, & 4/27/07

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.