

HINES EARL R
Form 4
April 28, 2005

FORM 4

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

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

OMB APPROVAL

OMB
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(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
__X__ 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)
__X__ 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
common stock	04/26/2005		M		7,016	A	\$ 1.08	43,682	D	
common stock	04/26/2005		S		7,016	D	\$ 17.9	36,666	D	
common stock	04/27/2005		M		16,318	A	\$ 1.08	52,984	D	
common stock	04/27/2005		M		5,150	A	\$ 2.59	58,134	D	
	04/27/2005		S		21,468	D		36,666	D	

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common stock						\$ 17.9		
common stock	04/28/2005		M	14,850	A	\$ 2.59	51,516	D
common stock	04/28/2005		S	14,850	D	\$ 17.9	36,666	D
common stock							1,266	I Spouse

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
stock option (right to buy)	\$ 1.08	04/26/2005		M	7,016	<u>(1)</u>	10/17/2011	common stock 7,016
stock option (right to buy)	\$ 1.08	04/27/2005		M	16,318	<u>(1)</u>	10/17/2011	common stock 16,318
stock option (right to buy)	\$ 2.59	04/27/2005		M	5,150	02/27/2002	02/26/2012	common stock 5,150
stock option (right to buy)	\$ 2.59	04/28/2005		M	14,850	02/27/2002	02/26/2012	common stock 14,850

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 04/28/2005

Signature of Date
Reporting Person

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) These options were granted on 10/18/01 and became exercisable in three equal installments on 10/18/02, 10/18/03, & 10/18/04

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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