#### RUSS FREDERICK A

Form 4

November 22, 2005

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

**OMB APPROVAL** 

**OMB** Number:

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if no longer subject to Section 16. Form 4 or Form 5

obligations

Check this box

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

may continue. See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \* RUSS FREDERICK A

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

CHARLES & COLVARD LTD

[CTHR]

(Month/Day/Year)

Filed(Month/Day/Year)

11/18/2005

(Check all applicable)

(Middle)

(Last) (First) 3. Date of Earliest Transaction

\_X\_\_ Director Officer (give title

10% Owner \_ Other (specify

C/O CHARLES & COLVARD. LTD., 300 PERIMETER PARK

(Street)

11/18/2005

DRIVE, SUITE A

common

stock

4. If Amendment, Date Original

Applicable Line)

MORRISVILLE, NC 27560

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

6. Individual or Joint/Group Filing(Check

Person

246,246

D

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired	l, Disposed of, or Beneficially Owned
Security (Month/Day/Year) Execution Date, if Transaction(A) or Disposed of (D) Sec (Instr. 3) any Code (Instr. 3, 4 and 5) Ben (Month/Day/Year) (Instr. 8) Ow Foll (A) Rep Transaction(A) or Disposed of (D) Sec (Instr. 3, 4 and 5) Ben (A) Rep Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Foll (A) Or Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Foll (Instr. 8) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Foll (Instr. 8) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Foll (Instr. 8) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Foll (Instr. 8) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Ow Transaction(A) or Disposed of (D) Sec (Instr. 3) Ow Transaction(A) or Disposed of (D) Ow Transaction(A) or Disposed of (D) Ow Transaction(A) Or Disposed of (D) Ow Transaction(A) Ow Transac	Amount of 6. 7. Nature of curities Ownership Indirect Beneficially ried (D) or Ownership Indirect (I) (Instr. 4) (Instr. 4)  Str. 3 and 4)
common	1,496 <u>(1)</u> D
common stock 11/18/2005 M 8,400 A \$ 5.381 259	9,896 D
common stock 11/18/2005 S 10,000 D \$ 29.3 249	9,896 D

3,650

S

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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.

SEC 1474 (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. Transactio Code (Instr. 8)	Securities		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4,		6. Date Exercisable and e Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
Stock option (right to buy)	\$ 1.267	11/18/2005		M		5,250	05/14/2002	05/13/2006	common stock	5,250		
Stock option (right to buy)	\$ 5.381	11/18/2005		M		8,400	05/20/2003	05/19/2007	common stock	8,400		

# **Reporting Owners**

Reporting Owner Name / Address		Relationships					
	Director	10% Owner	Officer	Other			

RUSS FREDERICK A C/O CHARLES & COLVARD, LTD. 300 PERIMETER PARK DRIVE, SUITE A MORRISVILLE, NC 27560



## **Signatures**

James R. Braun, by Power of Attorney 11/22/2005

\*\*Signature of Reporting Person Date

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# **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) Number of shares owned adjusted 5% for 2005 stock dividend.

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.