Pautz Thomas G Form 4 March 08, 2011

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

SECURITIES Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

2. Issuer Name and Ticker or Trading

CHARLES & COLVARD LTD

(Print or Type Responses)

1(b).

(Last)

1. Name and Address of Reporting Person * Pautz Thomas G

(Middle)

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

(Street)

(First)

4. If Amendment, Date Original

3. Date of Earliest Transaction

3.

Filed(Month/Day/Year)

OMB

Number:

Expires:

response...

Estimated average

burden hours per

OMB APPROVAL

3235-0287

January 31,

2005

0.5

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner Other (specify X_ Officer (give title

below)

VP of Sales & Marketing

6. Individual or Joint/Group Filing(Check

Applicable Line) _X_ Form filed by One Reporting Person

Form filed by More than One Reporting

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

MORRISVILLE, NC 27560

1.Title of

(City)

Security

(Instr. 3)

2. Transaction Date 2A. Deemed

(State)

(Month/Day/Year)

(Zip)

Execution Date, if

(Month/Day/Year)

Symbol

[CTHR]

(Month/Day/Year)

03/07/2011

TransactionAcquired (A) or Code (Instr. 8)

Disposed of (D) (Instr. 3, 4 and 5)

(A)

4. Securities

5. Amount of Securities Beneficially Owned Following Reported

Form: Direct (Instr. 4)

6. Ownership 7. Nature of Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. 5. Number of TransactionDerivative Code Securities (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount o Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share
Stock Option (right to	\$ 3.46	03/07/2011		A	69,877	03/07/2011(1)	03/07/2021	Common Stock	69,87

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Pautz Thomas G C/O CHARLES & COLVARD, LTD. 300 PERIMETER PARK, SUITE A MORRISVILLE, NC 27560

VP of Sales & Marketing

Signatures

buy)

/s/ Timothy L.
Krist

**Signature of Date

**Signature of 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) Option vests and becomes exercisable in four equal installments on March 7, 2011, 2012, 2013, and 2014.

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.

Reporting Owners 2