

McCullough Randy N
Form 4
March 07, 2012

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 *
McCullough Randy N

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)
President & CEO

C/O CHARLES & COLVARD, 300 PERIMETER PARK STE A

11/05/2011

(Street)

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

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

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

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount Underlying Securities |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|---|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|---|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | | | | |
|-----------------------------|--|----------------------|-----------------|---|------------------|------------------|---------------------------|-----------------|--------------|----------------------|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Stock Option (right to buy) | \$ 2.68 | 11/05/2011 | A | | 100,000 | | 11/05/2011 ⁽¹⁾ | 11/05/2021 | Common Stock | 100,000 |
| Stock Option (right to buy) | \$ 3.46 | | | | | | 03/07/2011 ⁽²⁾ | 03/07/2021 | Common Stock | 10,500 |
| Stock Option (right to buy) | \$ 2.13 | | | | | | 11/05/2010 ⁽³⁾ | 11/05/2020 | Common Stock | 100,000 |
| Stock Option (right to buy) | \$ 0.58 | | | | | | 11/05/2009 ⁽⁴⁾ | 11/05/2019 | Common Stock | 189,200 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------|-------|
| | Director | 10% Owner | Officer | Other |
| McCullough Randy N C/O CHARLES & COLVARD 300 PERIMETER PARK STE A MORRISVILLE, NC 27560 | X | | President & CEO | |

Signatures

/s/ Timothy Krist,
Attorney-In-Fact

03/07/2012

**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) Option vests and becomes exercisable in four equal annual installments beginning on November 5, 2011.
- (2) Option vests and becomes exercisable in four equal annual installments beginning on March 7, 2011.
- (3) Option vests and becomes exercisable in four equal annual installments beginning on November 5, 2010.
- (4) Option vests and becomes exercisable in four equal annual installments beginning on November 5, 2009.

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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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