

CHARLES & COLVARD LTD  
 Form 3  
 October 09, 2008

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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)

<p>1. Name and Address of Reporting Person *</p> <p>Â Boss Neil</p> <p>(Last) (First) (Middle)</p> <p>C/O CHARLES AND COLVARD LTD.,Â 300 PERIMETER PARK DRIVE, STE A</p> <p>(Street)</p> <p>MORRISVILLE,Â NCÂ 27560</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>09/30/2008</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>CHARLES &amp; COLVARD LTD [CTHR]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input type="checkbox"/> 10% Owner  <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other                  (give title below) (specify below)                  Principal Accting/Finance Offc</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person  <input type="checkbox"/> Form filed by More than One Reporting Person</p>
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**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	2,984	D	Â

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership
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	Date Exercisable	Expiration Date	(Instr. 4) Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	(Instr. 5)
Stock Options	02/24/2004	02/23/2011	common stock	3,375	\$ 0.785	D	Â
Stock Options	05/14/2004	05/13/2011	common stock	393	\$ 0.99	D	Â
Stock Options	07/18/2004	07/17/2011	common stock	393	\$ 0.792	D	Â
Stock Options	10/18/2004	10/17/2011	common stock	393	\$ 0.823	D	Â
Stock Options	02/23/2005	02/22/2012	common stock	1,050	\$ 1.646	D	Â
Stock Options	04/22/2005	04/22/2012	common stock	656	\$ 4.229	D	Â
Stock Options	07/17/2005	07/16/2012	common stock	656	\$ 3.162	D	Â
Stock Options	10/17/2005	10/17/2012	common stock	393	\$ 3.04	D	Â
Stock Options	12/21/2005	02/12/2013	common stock	1,312	\$ 3.398	D	Â
Stock Options	12/21/2005	04/15/2013	common stock	9,843	\$ 3.695	D	Â
Stock Options	12/21/2005	04/26/2014	common stock	656	\$ 3.901	D	Â
Stock Options	02/17/2005	02/16/2015	common stock	6,562	\$ 7.238	D	Â
Stock Options	12/21/2005	04/17/2015	common stock	131	\$ 11.215	D	Â
Stock Options	12/21/2005	07/18/2015	common stock	125	\$ 22.48	D	Â
Stock Options	12/21/2005	10/18/2015	common stock	125	\$ 16.424	D	Â
Stock Options	02/14/2009 <sup>(1)</sup>	02/13/2016	common stock	100	\$ 12.34	D	Â

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director      10% Owner      Officer      Other

Reporting Owners

Boss Neil  
C/O CHARLES AND COLVARD LTD.  
300 PERIMETER PARK DRIVE, STE A  
MORRISVILLE, NC 27560

^

^

^ Principal  
Accting/Finance ^  
Offc

## Signatures

/s/ Neil Boss

10/09/2008

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) Options granted become exercisable as follows: 33 on 2/14/07, 33 on 2/14/08, and 34 on 2/14/09.

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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