

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

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**May 8, 2006 (Date of earliest event reported)      Commission file number: 0-23329**

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**Charles & Colvard, Ltd.**

(Exact name of registrant as specified in its charter)

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**North Carolina**  
(State or other jurisdiction of  
incorporation or organization)

**56-1928817**  
(I.R.S. Employer  
Identification No.)

**300 Perimeter Park Drive, Suite A**  
**Morrisville, North Carolina 27560**  
(Address of principal executive offices)  
(Zip code)

**(919) 468-0399**  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **Item 1.01 Entry into a Material Definitive Agreement**

On May 8, 2006, Charles & Colvard, Ltd. (the "Company") executed a letter agreement dated April 25, 2006 (the "New Letter Agreement") with Stuller, Inc. ("Stuller") that replaced the January 20, 2005 letter agreement (filed with the Securities and Exchange Commission (the "SEC") on January 24, 2005 as exhibit 10.70 to the Current Report on Form 8-K) and further amended the letter agreement dated March 16, 2000 (filed with the SEC on March 27, 2000 as exhibit 10.40 to the Annual Report on Form 10-K). Pursuant to its terms, the New Letter Agreement became effective upon the Company's execution of the New Letter Agreement on May 8, 2006.

The New Letter Agreement provides that Stuller has the right to sell moissanite in North America from May 8, 2006 until December 31, 2006. Pursuant to the New Letter Agreement, the Company agreed not to appoint any additional distributors for the loose moissanite jewel for the same territory during calendar year 2006. The Company also agreed to, among other things, (i) fund certain pre-approved advertising and promotional activities submitted to the Company by Stuller; (ii) provide quarterly stock rebalancing, subject to certain limitations; and (iii) provide Stuller personnel with certain training regarding marketing and product strategy. Stuller in turn agreed to, among other things, comply with the Company's Minimum Advertised Price and brand identity guidelines. The Company and Stuller also agreed to work together on certain sales and marketing initiatives designed to foster interest in moissanite. Further, the New Letter Agreement contains pricing schedules that set out the prices to be charged to Stuller for certain size, quality, shapes and/or volume of Charles & Colvard created moissanite jewels.

The description of the New Letter Agreement set forth in this Item 1.01 does not purport to be complete and is qualified in its entirety by reference to the copy of the New Letter Agreement filed as Exhibit 10.91 to this Current Report on Form 8-K.

### **Item 9.01 Financial Statements and Exhibits**

#### (d) Exhibits

Exhibit 10.91 Letter Agreement, effective May 8, 2006, between Stuller, Inc. and Charles & Colvard, Ltd.\*

\* Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission as part of an application for confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Charles & Colvard, Ltd.

By: /s/ James R. Braun

James R. Braun  
Vice President of Finance  
& Chief Financial Officer

Date: May 12, 2006

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Exhibit Description</u>
Exhibit 10.91	Letter Agreement, effective May 8, 2006, between Stuller, Inc. and Charles & Colvard, Ltd.*

\* Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission as part of an application for confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.

REDACTED – OMITTED MATERIAL HAS BEEN SEPARATELY FILED WITH THE COMMISSION PURSUANT TO RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND IS DENOTED HEREIN BY \*\*\*\*\*

CHARLES & COLVARD™  
 Created  
 M O I S S A N I T E

**VIA FEDERAL EXPRESS – PRIORITY OVERNIGHT**

**Confidential**

April 25, 2006

Mr. Linus Cortez  
 Chief Financial Officer  
 Stuller, Inc.  
 302 Rue Louis XIV  
 Lafayette, Louisiana 70508

Dear Mr. Cortez:

This letter, will amend our letter agreement dated March 16, 2000, and replace our existing letter agreement dated, January 20, 2005, when signed by the last party hereto.

A. For the Term, Charles & Colvard, Ltd., (C&C), hereby:

1. Appoints Stuller Inc., (Stuller) the rights to sell Charles & Colvard created moissanite (either as a loose jewel or in manufactured jewelry) in the territory comprised of the North American Continent from the present date until December 31, 2006 (The "Appointment Term").
2. Warrants that C&C shall appoint no additional distributors for the loose Moissanite jewel in the territory during calendar year 2006.
3. Warrants that Stuller will be charged no more than the lowest price charged to any jewelry industry customer worldwide. (The new price schedule effective May 1, 2006 is attached as **Schedule A**). Further, if at any time the pricing of moissanite is decreased, C&C shall provide Stuller with a credit toward additional purchases of moissanite equal to the amount of such price decrease on the lesser of (a) Stuller's net purchases of moissanite during the prior 90 days or (b) Stuller's actual inventory at such time.
4. C&C will fund all pre-approved, eligible advertising/promotional activity expenses submitted by Stuller. This funding is limited to \*\*\*\*\*% of net purchases made by Stuller. To receive the co-op credit Stuller must submit to C&C, on a quarterly basis, a marketing report listing all activities undertaken by Stuller for the quarter. This report must be supported by actual receipts for all expenditures and other appropriate backup evidencing that advertising has occurred. C&C will issue a credit memo to Stuller for actual marketing expenditures.
5. Agrees to provide quarterly stock rebalancing on a dollar value per dollar value basis, \*\*\*\*\*.
6. Agrees to provide the Stuller staff with any required training concerning the product, the marketing strategy, and the product positioning being implemented by C&C.
7. Agrees \*\*\*\*\*.

300 Perimeter Park, Suite A Morrisville, NC 27560 Telephone 919.468.0399  
 Facsimile 919.468.0486 www.moissanite.com

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April 25, 2006

Linus Cortez, CFO – Stuller, Inc.

B. Stuller agrees to comply with the following:

- a. MAP pricing
- b. Brand Identity Guidelines
- c. Submission of support documentation relevant to all co-op and any other authorized marketing and sales expenses.

C. Stuller and C&C agree to the following four major initiatives for 2006:

1. Stuller will \*\*\*\*\*. Illustrative of Stuller's commitment, \*\*\*\*\*.
2. C&C and Stuller will \*\*\*\*\* including \*\*\*\*\*.
3. C&C and Stuller will \*\*\*\*\*.
4. Stuller will \*\*\*\*\*.

Stuller hereby recognizes and agrees to cooperate with C&C in the protection of all C&C trademarks, logos, copyrights and intellectual property. Further, Stuller agrees to include Charles & Colvard created moissanite in its catalog and trade show presentations for the term of the agreement; and to make commercially reasonable efforts to market moissanite to its customers consistent with the Brand Identity Guidelines (BIG) supplied by C&C, and, Stuller specifically agrees to make commercially reasonable efforts to sell Charles & Colvard created moissanite as loose stones to retailers and manufacturers only for use in jewelry mountings and not for resale as loose stones.

Further, Stuller agrees \*\*\*\*\*. The parties agree \*\*\*\*\*.

If the forgoing meets with your understanding of our agreement, please sign and return one copy of this letter for our files.

Agreed and accepted:

**Charles & Colvard, Ltd.**

*/s/ Dennis M. Reed*

\_\_\_\_\_  
Dennis M. Reed

Sr. Vice President of Sales & CMO

Date: 5/8/06

**Stuller, Inc.**

*/s/ Linus Cortez*

\_\_\_\_\_  
Linus Cortez

Chief Financial Officer

Date: 5/2/06



Schedule A

**Jewel Price List**

**Effective May 1, 2006. All prices listed in US\$. All prices subject to change without notice.**

<u>SRB (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2.5	0.05	*****	*****	*****	*****	78
3	0.09	*****	*****	*****	*****	78
3.25	0.11	*****	*****	*****	*****	78
3.5	0.14	*****	*****	*****	*****	78
4	0.22	*****	*****	*****	*****	40
4.5	0.29	*****	*****	*****	*****	40
5	0.41	*****	*****	*****	*****	40
5.5	0.54	*****	*****	*****	*****	21
6	0.68	*****	*****	*****	*****	21
6.5	0.88	*****	*****	*****	*****	21
7	1.10	*****	*****	*****	*****	21
7.5	1.35	*****	*****	*****	*****	10
8	1.60	*****	*****	*****	*****	10
8.5	1.90	*****	*****	*****	*****	10
9	2.26	*****	*****	*****	*****	10
9.5	2.75	*****	*****	*****	*****	10
10	3.08	*****	*****	*****	*****	10
10.5	3.57	*****	*****	*****	*****	10
11	4.11	*****	*****	*****	*****	5
11.5	4.72	*****	*****	*****	*****	5
12	5.32	*****	*****	*****	*****	5
12.5	6.01	*****	*****	*****	*****	5
13	6.80	*****	*****	*****	*****	5
13.5	7.60	*****	*****	*****	*****	5
14	8.46	*****	*****	*****	*****	5
14.5	9.51	*****	*****	*****	*****	5
15	10.46	*****	*****	*****	*****	5

All SRB (standard round brilliant) moissanite jewels are sold by piece by size (mm).  
 The average carat weights listed are for informational purposes only.

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<u>SCR (mm)</u>	<u>Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Average Pieces/Bag</u>
1	3	*****	*****	*****	*****	869
1.1	3	*****	*****	*****	*****	653
1.2	3	*****	*****	*****	*****	440
1.3	3	*****	*****	*****	*****	370
1.4	3	*****	*****	*****	*****	295
1.5	3	*****	*****	*****	*****	255
1.6	3	*****	*****	*****	*****	190
1.7	3	*****	*****	*****	*****	167
1.8	3	*****	*****	*****	*****	140
1.9	3	*****	*****	*****	*****	112
2	3	*****	*****	*****	*****	109
2.1	3	*****	*****	*****	*****	94
2.2	3	*****	*****	*****	*****	82
2.3	3	*****	*****	*****	*****	71
2.4	3	*****	*****	*****	*****	63

All SCR (single cut round) moissanite jewels are sold by weight in bulk bags weighing 3 carats each.  
The average pieces per bag listed are for informational purposes only.

<u>Baguette (mm)</u>	<u>Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Average Pieces/Bag</u>
4x2	3	*****	*****	*****	*****	29
5x2.5	3	*****	*****	*****	*****	16

<u>Tapered Baguette</u>	<u>Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Average Pieces/Bag</u>
5x2.5x2	3	*****	*****	*****	*****	19

All Baguette moissanite jewels are sold by weight in bulk bags weighing 3 carats each.  
The average pieces per bag listed are for informational purposes only.



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**Jewel Price List**

Effective May 1, 2006. All prices listed in US\$. All prices subject to change without notice.

<u>Castle (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2.5	0.05	*****	*****	*****	*****	40
3	0.09	*****	*****	*****	*****	40
3.5	0.15	*****	*****	*****	*****	40
4	0.21	*****	*****	*****	*****	40
4.5	0.30	*****	*****	*****	*****	40
5	0.40	*****	*****	*****	*****	40
5.5	0.52	*****	*****	*****	*****	21
6	0.69	*****	*****	*****	*****	21
6.5	0.88	*****	*****	*****	*****	21
7	1.09	*****	*****	*****	*****	21
7.5	1.33	*****	*****	*****	*****	10
8	1.61	*****	*****	*****	*****	10

<u>Cushion (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2	0.04	*****	*****	*****	*****	40
2.5	0.07	*****	*****	*****	*****	40
3	0.12	*****	*****	*****	*****	40
3.5	0.19	*****	*****	*****	*****	40
4	0.30	*****	*****	*****	*****	40
4.5	0.42	*****	*****	*****	*****	40
5	0.57	*****	*****	*****	*****	21
5.5	0.75	*****	*****	*****	*****	21
6	0.96	*****	*****	*****	*****	21
6.5	1.21	*****	*****	*****	*****	21
7	1.49	*****	*****	*****	*****	21
7.5	1.80	*****	*****	*****	*****	10
8	2.15	*****	*****	*****	*****	10
8.5	2.54	*****	*****	*****	*****	10
9	2.98	*****	*****	*****	*****	10
9.5	3.74	*****	*****	*****	*****	10
10	4.18	*****	*****	*****	*****	5
10.5	4.99	*****	*****	*****	*****	5
11	5.79	*****	*****	*****	*****	5
11.5	6.82	*****	*****	*****	*****	5
12	8.07	*****	*****	*****	*****	5

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<u>Heart (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
3	0.08	*****	*****	*****	*****	78
3.5	0.14	*****	*****	*****	*****	40
4	0.21	*****	*****	*****	*****	40
4.5	0.30	*****	*****	*****	*****	40
5	0.42	*****	*****	*****	*****	40
5.5	0.54	*****	*****	*****	*****	21
6	0.70	*****	*****	*****	*****	21
6.5	0.86	*****	*****	*****	*****	21
7	1.10	*****	*****	*****	*****	21
7.5	1.32	*****	*****	*****	*****	21
8	1.61	*****	*****	*****	*****	10
8.5	1.99	*****	*****	*****	*****	10
9	2.43	*****	*****	*****	*****	10
9.5	2.83	*****	*****	*****	*****	10
10	3.30	*****	*****	*****	*****	10

All moissanite jewels on this page are sold by piece by size (mm), average carat weights listed are for informational purposes only.

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**Jewel Price List**

Effective May 1, 2006. All prices listed in US\$. All prices subject to change without notice.

<u>Marquise (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
4x2	0.06	*****	*****	*****	*****	40
5x2.5	0.12	*****	*****	*****	*****	40
6x3	0.21	*****	*****	*****	*****	21
7x3.5	0.32	*****	*****	*****	*****	21
8x4	0.47	*****	*****	*****	*****	21
9x4.5	0.67	*****	*****	*****	*****	21
10x5	0.90	*****	*****	*****	*****	21
11x5.5	1.26	*****	*****	*****	*****	12
12x6	1.58	*****	*****	*****	*****	12
13x6.5	1.98	*****	*****	*****	*****	12
14x7	2.48	*****	*****	*****	*****	12

<u>Octagon (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2	0.03	*****	*****	*****	*****	78
2.5	0.07	*****	*****	*****	*****	78
3	0.11	*****	*****	*****	*****	78
3.5	0.17	*****	*****	*****	*****	78
4	0.25	*****	*****	*****	*****	40
4.5	0.36	*****	*****	*****	*****	40
5	0.47	*****	*****	*****	*****	40
5.5	0.62	*****	*****	*****	*****	21
6	0.80	*****	*****	*****	*****	21
6.5	1.02	*****	*****	*****	*****	21
7	1.26	*****	*****	*****	*****	21
7.5	1.56	*****	*****	*****	*****	10
8	1.87	*****	*****	*****	*****	10
8.5	2.19	*****	*****	*****	*****	10
9	2.58	*****	*****	*****	*****	10
9.5	3.02	*****	*****	*****	*****	10

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<u>Oval (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
4x2	0.09	*****	*****	*****	*****	40
5x3	0.23	*****	*****	*****	*****	40
6x4	0.43	*****	*****	*****	*****	21
7x5	0.84	*****	*****	*****	*****	21
8x6	1.33	*****	*****	*****	*****	10
9x7	1.91	*****	*****	*****	*****	10
10x8	2.72	*****	*****	*****	*****	10
11x9	3.74	*****	*****	*****	*****	10
12x10	5.18	*****	*****	*****	*****	5
14x10	6.58	*****	*****	*****	*****	5
14x10.5	6.93	*****	*****	*****	*****	5

<u>Pear (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
5x3	0.20	*****	*****	*****	*****	21
6x4	0.39	*****	*****	*****	*****	21
7x5	0.69	*****	*****	*****	*****	21
7.5x5	0.76	*****	*****	*****	*****	21
8x5	0.85	*****	*****	*****	*****	21
9x6	1.33	*****	*****	*****	*****	12
10x7	1.93	*****	*****	*****	*****	12
10.5x7	2.13	*****	*****	*****	*****	12
12x7.5	2.87	*****	*****	*****	*****	12
12x8	3.09	*****	*****	*****	*****	5

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**Jewel Price List**

Effective May 1, 2006. All prices listed in US\$. All prices subject to change without notice.

<u>Princess (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2x2	0.04	*****	*****	*****	*****	78
2.5x2.5	0.08	*****	*****	*****	*****	78
3x3	0.14	*****	*****	*****	*****	40
3.5x3.5	0.21	*****	*****	*****	*****	40
4x4	0.33	*****	*****	*****	*****	21
4.5x4.5	0.44	*****	*****	*****	*****	21
5x5	0.64	*****	*****	*****	*****	21
5.5x5.5	0.83	*****	*****	*****	*****	10
6x6	1.07	*****	*****	*****	*****	10
6.5x6.5	1.35	*****	*****	*****	*****	10
7x7	1.64	*****	*****	*****	*****	10
7.5x7.5	2.08	*****	*****	*****	*****	10
8x8	2.51	*****	*****	*****	*****	10
8.5x8.5	2.87	*****	*****	*****	*****	10
9x9	3.49	*****	*****	*****	*****	5
9.5x9.5	3.97	*****	*****	*****	*****	5
10x10	4.80	*****	*****	*****	*****	5
10.5x10.5	5.38	*****	*****	*****	*****	5
11x11	6.31	*****	*****	*****	*****	5
11.5x11.5	7.23	*****	*****	*****	*****	5
12x12	8.14	*****	*****	*****	*****	5
12.5x12.5	8.86	*****	*****	*****	*****	5
13.0x13.0	9.94	*****	*****	*****	*****	5

<u>Radiant (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
4x2	0.10	*****	*****	*****	*****	40
5x3	0.30	*****	*****	*****	*****	40
6x4	0.61	*****	*****	*****	*****	21
7x5	1.04	*****	*****	*****	*****	10
8x6	1.67	*****	*****	*****	*****	10
9x7	2.43	*****	*****	*****	*****	10
10x8	3.51	*****	*****	*****	*****	10
11x9	4.79	*****	*****	*****	*****	5
12x10	6.45	*****	*****	*****	*****	5
14x10	8.41	*****	*****	*****	*****	5
14x12	11.72	*****	*****	*****	*****	5

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<u>SBC (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2x2	0.04	*****	*****	*****	*****	78
2.5x2.5	0.11	*****	*****	*****	*****	78
3x3	0.16	*****	*****	*****	*****	40
3.5x3.5	0.24	*****	*****	*****	*****	40
4x4	0.37	*****	*****	*****	*****	21
4.5x4.5	0.51	*****	*****	*****	*****	21
5x5	0.71	*****	*****	*****	*****	21
5.5x5.5	0.91	*****	*****	*****	*****	10
6x6	1.18	*****	*****	*****	*****	10
6.5x6.5	1.50	*****	*****	*****	*****	10
7x7	1.88	*****	*****	*****	*****	10
7.5x7.5	2.28	*****	*****	*****	*****	10
8x8	2.78	*****	*****	*****	*****	10
8.5x8.5	3.28	*****	*****	*****	*****	10
9x9	3.94	*****	*****	*****	*****	5
9.5x9.5	4.62	*****	*****	*****	*****	5
10.0x10.0	5.29	*****	*****	*****	*****	5

All moissanite jewels on this page are sold by piece by size (mm), average carat weights listed are for informational purposes only.

**CHARLES & COLVARD™**  
*Created*  
**M O I S S A N I T E**

**Jewel Price List**

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<u>Triangle (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2x2x2	0.02	*****	*****	*****	*****	78
2.5x2.5x2.5	0.06	*****	*****	*****	*****	78
3x3x3	0.09	*****	*****	*****	*****	78
3.5x3.5x3.5	0.14	*****	*****	*****	*****	40
4x4x4	0.21	*****	*****	*****	*****	40
4.5x4.5x4.5	0.30	*****	*****	*****	*****	21
5x5x5	0.40	*****	*****	*****	*****	21
5.5x5.5x5.5	0.52	*****	*****	*****	*****	21
6x6x6	0.67	*****	*****	*****	*****	21
6.5x6.5x6.5	0.83	*****	*****	*****	*****	10
7x7x7	1.06	*****	*****	*****	*****	10
7.5x7.5x7.5	1.28	*****	*****	*****	*****	10
8x8x8	1.48	*****	*****	*****	*****	10
8.5x8.5x8.5	1.79	*****	*****	*****	*****	10
9x9x9	2.12	*****	*****	*****	*****	10
9.5x9.5x9.5	2.41	*****	*****	*****	*****	10

<u>Trillion (mm)</u>	<u>Average Carat Weight</u>	<u>Price</u>	<u>Suggested Wholesale</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2x2x2	0.02	*****	*****	*****	*****	78
2.5x2.5x2.5	0.05	*****	*****	*****	*****	78
3x3x3	0.08	*****	*****	*****	*****	78
3.5x3.5x3.5	0.13	*****	*****	*****	*****	40
4x4x4	0.18	*****	*****	*****	*****	40
4.5x4.5x4.5	0.27	*****	*****	*****	*****	21
5x5x5	0.36	*****	*****	*****	*****	21
5.5x5.5x5.5	0.47	*****	*****	*****	*****	21
6x6x6	0.61	*****	*****	*****	*****	21
6.5x6.5x6.5	0.74	*****	*****	*****	*****	10
7x7x7	0.94	*****	*****	*****	*****	10
7.5x7.5x7.5	1.16	*****	*****	*****	*****	10
8x8x8	1.44	*****	*****	*****	*****	10
8.5x8.5x8.5	1.66	*****	*****	*****	*****	10
9x9x9	2.16	*****	*****	*****	*****	10
9.5x9.5x9.5	2.41	*****	*****	*****	*****	10
10x10x10	2.77	*****	*****	*****	*****	5
10.5x10.5x10.5	3.34	*****	*****	*****	*****	5
11x11x11	3.85	*****	*****	*****	*****	5

All moissanite jewels on this page are sold by piece by size (mm), average carat weights listed are for informational purposes only.

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**Exhibit I**

**MAP Price List**

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<b>SRB (mm)</b>	<b>Average Carat Weight</b>	<b>Minimum Advertised Price</b>	<b>Suggested Retail</b>	<b>Tray Capacity</b>
2.5	0.05	*****	*****	78
3	0.09	*****	*****	78
3.25	0.11	*****	*****	78
3.5	0.14	*****	*****	78
4	0.22	*****	*****	40
4.5	0.29	*****	*****	40
5	0.41	*****	*****	40
5.5	0.54	*****	*****	21
6	0.68	*****	*****	21
6.5	0.88	*****	*****	21
7	1.10	*****	*****	21
7.5	1.35	*****	*****	10
8	1.60	*****	*****	10
8.5	1.90	*****	*****	10
9	2.26	*****	*****	10
9.5	2.75	*****	*****	10
10	3.08	*****	*****	10
10.5	3.57	*****	*****	10
11	4.11	*****	*****	5
11.5	4.72	*****	*****	5
12	5.32	*****	*****	5
12.5	6.01	*****	*****	5
13	6.80	*****	*****	5
13.5	7.60	*****	*****	5
14	8.46	*****	*****	5
14.5	9.51	*****	*****	5
15	10.46	*****	*****	5

All SRB (standard round brilliant) moissanite jewels are sold by piece by size (mm).  
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<u>SCR (mm)</u>	<u>Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Average Pieces/Bag</u>
1	3	*****	*****	869
1.1	3	*****	*****	653
1.2	3	*****	*****	440
1.3	3	*****	*****	370
1.4	3	*****	*****	295
1.5	3	*****	*****	255
1.6	3	*****	*****	190
1.7	3	*****	*****	167
1.8	3	*****	*****	140
1.9	3	*****	*****	112
2	3	*****	*****	109
2.1	3	*****	*****	94
2.2	3	*****	*****	82
2.3	3	*****	*****	71
2.4	3	*****	*****	63

All SCR (single cut round) moissanite jewels are sold by weight in bulk bags weighing 3 carats each.  
The average pieces per bag listed are for informational purposes only.

<u>Baguette (mm)</u>	<u>Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Average Pieces/Bag</u>
4x2	3	*****	*****	29
5x2.5	3	*****	*****	16

<u>Tapered Baguette</u>	<u>Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Average Pieces/Bag</u>
5x2.5x2	3	*****	*****	19

All Baguette moissanite jewels are sold by weight in bulk bags weighing 3 carats each.  
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<u>Castle (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2.5	0.05	*****	*****	40
3	0.09	*****	*****	40
3.5	0.15	*****	*****	40
4	0.21	*****	*****	40
4.5	0.30	*****	*****	40
5	0.40	*****	*****	40
5.5	0.52	*****	*****	21
6	0.69	*****	*****	21
6.5	0.88	*****	*****	21
7	1.09	*****	*****	21
7.5	1.33	*****	*****	10
8	1.61	*****	*****	10

  

<u>Cushion (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2	0.04	*****	*****	40
2.5	0.07	*****	*****	40
3	0.12	*****	*****	40
3.5	0.19	*****	*****	40
4	0.30	*****	*****	40
4.5	0.42	*****	*****	40
5	0.57	*****	*****	21
5.5	0.75	*****	*****	21
6	0.96	*****	*****	21
6.5	1.21	*****	*****	21
7	1.49	*****	*****	21
7.5	1.80	*****	*****	10
8	2.15	*****	*****	10
8.5	2.54	*****	*****	10
9	2.98	*****	*****	10
9.5	3.74	*****	*****	10
10	4.18	*****	*****	5
10.5	4.99	*****	*****	5
11	5.79	*****	*****	5
11.5	6.82	*****	*****	5
12	8.07	*****	*****	5

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<u>Heart (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
3	0.08	*****	*****	78
3.5	0.14	*****	*****	40
4	0.21	*****	*****	40
4.5	0.30	*****	*****	40
5	0.42	*****	*****	40
5.5	0.54	*****	*****	21
6	0.70	*****	*****	21
6.5	0.86	*****	*****	21
7	1.10	*****	*****	21
7.5	1.32	*****	*****	21
8	1.61	*****	*****	10
8.5	1.99	*****	*****	10
9	2.43	*****	*****	10
9.5	2.83	*****	*****	10
10	3.30	*****	*****	10

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<u>Marquise (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
4x2	0.06	*****	*****	40
5x2.5	0.12	*****	*****	40
6x3	0.21	*****	*****	21
7x3.5	0.32	*****	*****	21
8x4	0.47	*****	*****	21
9x4.5	0.67	*****	*****	21
10x5	0.90	*****	*****	21
11x5.5	1.26	*****	*****	12
12x6	1.58	*****	*****	12
13x6.5	1.98	*****	*****	12
14x7	2.48	*****	*****	12

<u>Octagon (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2	0.03	*****	*****	78
2.5	0.07	*****	*****	78
3	0.11	*****	*****	78
3.5	0.17	*****	*****	78
4	0.25	*****	*****	40
4.5	0.36	*****	*****	40
5	0.47	*****	*****	40
5.5	0.62	*****	*****	21
6	0.80	*****	*****	21
6.5	1.02	*****	*****	21
7	1.26	*****	*****	21
7.5	1.56	*****	*****	10
8	1.87	*****	*****	10
8.5	2.19	*****	*****	10
9	2.58	*****	*****	10
9.5	3.02	*****	*****	10

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<u>Oval (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
4x2	0.09	*****	*****	40
5x3	0.23	*****	*****	40
6x4	0.43	*****	*****	21
7x5	0.84	*****	*****	21
8x6	1.33	*****	*****	10
9x7	1.91	*****	*****	10
10x8	2.72	*****	*****	10
11x9	3.74	*****	*****	10
12x10	5.18	*****	*****	5
14x10	6.58	*****	*****	5
14x10.5	6.93	*****	*****	5

<u>Pear (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
5x3	0.20	*****	*****	21
6x4	0.39	*****	*****	21
7x5	0.69	*****	*****	21
7.5x5	0.76	*****	*****	21
8x5	0.85	*****	*****	21
9x6	1.33	*****	*****	12
10x7	1.93	*****	*****	12
10.5x7	2.13	*****	*****	12
12x7.5	2.87	*****	*****	12
12x8	3.09	*****	*****	5

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<u>Princess (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2x2	0.04	*****	*****	78
2.5x2.5	0.08	*****	*****	78
3x3	0.14	*****	*****	40
3.5x3.5	0.21	*****	*****	40
4x4	0.33	*****	*****	21
4.5x4.5	0.44	*****	*****	21
5x5	0.64	*****	*****	21
5.5x5.5	0.83	*****	*****	10
6x6	1.07	*****	*****	10
6.5x6.5	1.35	*****	*****	10
7x7	1.64	*****	*****	10
7.5x7.5	2.08	*****	*****	10
8x8	2.51	*****	*****	10
8.5x8.5	2.87	*****	*****	10
9x9	3.49	*****	*****	5
9.5x9.5	3.97	*****	*****	5
10x10	4.80	*****	*****	5
10.5x10.5	5.38	*****	*****	5
11x11	6.31	*****	*****	5
11.5x11.5	7.23	*****	*****	5
12x12	8.14	*****	*****	5
12.5x12.5	8.86	*****	*****	5
13.0x13.0	9.94	*****	*****	5

<u>Radiant (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
4x2	0.10	*****	*****	40
5x3	0.30	*****	*****	40
6x4	0.61	*****	*****	21
7x5	1.04	*****	*****	10
8x6	1.67	*****	*****	10
9x7	2.43	*****	*****	10
10x8	3.51	*****	*****	10
11x9	4.79	*****	*****	5
12x10	6.45	*****	*****	5
14x10	8.41	*****	*****	5
14x12	11.72	*****	*****	5

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<u>SBC (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2x2	0.04	*****	*****	78
2.5x2.5	0.11	*****	*****	78
3x3	0.16	*****	*****	40
3.5x3.5	0.24	*****	*****	40
4x4	0.37	*****	*****	21
4.5x4.5	0.51	*****	*****	21
5x5	0.71	*****	*****	21
5.5x5.5	0.91	*****	*****	10
6x6	1.18	*****	*****	10
6.5x6.5	1.50	*****	*****	10
7x7	1.88	*****	*****	10
7.5x7.5	2.28	*****	*****	10
8x8	2.78	*****	*****	10
8.5x8.5	3.28	*****	*****	10
9x9	3.94	*****	*****	5
9.5x9.5	4.62	*****	*****	5
10.0x10.0	5.29	*****	*****	5

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<u>Triangle (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2x2x2	0.02	*****	*****	78
2.5x2.5x2.5	0.06	*****	*****	78
3x3x3	0.09	*****	*****	78
3.5x3.5x3.5	0.14	*****	*****	40
4x4x4	0.21	*****	*****	40
4.5x4.5x4.5	0.30	*****	*****	21
5x5x5	0.40	*****	*****	21
5.5x5.5x5.5	0.52	*****	*****	21
6x6x6	0.67	*****	*****	21
6.5x6.5x6.5	0.83	*****	*****	10
7x7x7	1.06	*****	*****	10
7.5x7.5x7.5	1.28	*****	*****	10
8x8x8	1.48	*****	*****	10
8.5x8.5x8.5	1.79	*****	*****	10
9x9x9	2.12	*****	*****	10
9.5x9.5x9.5	2.41	*****	*****	10

<u>Trillion (mm)</u>	<u>Average Carat Weight</u>	<u>Minimum Advertised Price</u>	<u>Suggested Retail</u>	<u>Tray Capacity</u>
2x2x2	0.02	*****	*****	78
2.5x2.5x2.5	0.05	*****	*****	78
3x3x3	0.08	*****	*****	78
3.5x3.5x3.5	0.13	*****	*****	40
4x4x4	0.18	*****	*****	40
4.5x4.5x4.5	0.27	*****	*****	21
5x5x5	0.36	*****	*****	21
5.5x5.5x5.5	0.47	*****	*****	21
6x6x6	0.61	*****	*****	21
6.5x6.5x6.5	0.74	*****	*****	10
7x7x7	0.94	*****	*****	10
7.5x7.5x7.5	1.16	*****	*****	10
8x8x8	1.44	*****	*****	10
8.5x8.5x8.5	1.66	*****	*****	10
9x9x9	2.16	*****	*****	10
9.5x9.5x9.5	2.41	*****	*****	10
10x10x10	2.77	*****	*****	5
10.5x10.5x10.5	3.34	*****	*****	5
11x11x11	3.85	*****	*****	5

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