

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of Earliest Event Reported): February 21, 2001

CHARLES & COLVARD, LTD.
(Exact name of Registrant as specified in its charter)

North Carolina (State or other jurisdiction of incorporation or organization)	0-23329 (Commission File No.)	56-0308470 (IRS Employer Identification No.)
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3800 Gateway Boulevard
Suite 310
Morrisville, North Carolina 27560
(Address of principal executive offices, including zip code)
(919) 468-0399
(Registrant's telephone number, including area code)

(Former name or Former Address if
Changed Since Last Report)

ITEM 5. Other Events.

Charles & Colvard, Ltd. (Nasdaq: CTHR) today announced that it has raised approximately \$6.2 million in gross proceeds as a result of the exercise by shareholders of rights to purchase common stock at \$1.00 per share pursuant to its rights offering that expired on February 16, 2001. The Company will issue an aggregate of 6,246,735 shares of common stock and will have a total of 13,447,714 shares of common stock issued and outstanding as of February 21, 2001. The net proceeds will be used for working capital purposes.

A copy of the press release issued by the Company, that discusses the offering, is filed herewith as Exhibit 99.1 to this Current Report on Form 8-K.

ITEM 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

99.1 Press Release dated February 21, 2001.

SIGNATURE

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

CHARLES & COLVARD, LTD.

Date: February 22, 2001

By: /s/ Robert S. Thomas

Robert S. Thomas
President and Chief Executive Officer

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MOISSANITE
CHARLES & COLVARD(TM)

For Immediate Release

Press Contact: Jessica Blue, Richard French
& Associates: 919-832-6300
Investor contact: Bob Thomas, President
& CEO, Charles & Colvard, Ltd.: 919-468-0399

Charles & Colvard Raises \$6.2 Million in Rights Offering

MORRISVILLE, N.C., February 21, 2001 -- Charles & Colvard, Ltd. (Nasdaq: CTHR) today announced that it has raised approximately \$6.2 million in gross proceeds as a result of the exercise by shareholders of rights to purchase common stock at \$1.00 per share pursuant to its rights offering that expired on February 16, 2001. The Company will issue an aggregate of 6,246,735 shares of common stock and will have a total of 13,447,714 shares of common stock issued and outstanding as of February 21, 2001. The net proceeds will be used for working capital purposes.

Charles & Colvard, based in the Research Triangle Park area of North Carolina, became a public company in 1997. For more information, please access www.moissanite.com.

This press release contains forward-looking statements that relate to the company's future plans and objectives. These statements are subject to numerous risks and uncertainties, including without limitation the limited operating history upon which the company and its prospects can be evaluated, the need for further development of the company's products, the company's reliance on Cree, Inc. as a developer and supplier of silicon carbide crystals, the small size of the current market for the company's products and uncertainty of market acceptance and demand for such products in the future. These and other risks and uncertainties, which are detailed in the company's filings with the SEC including Forms 10-K and 10-Q, could cause actual results and developments to be materially different from those expressed or implied by any of the forward-looking statements included in this press release.

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