

Schedule 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 2)

Charles & Colvard LTD
(Name of Issuer)

Common Stock
(Title of Class of Securities)

159765106
(CUSIP Number)

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(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

May 15, 2023
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

CUSIP No. **159765106**

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Carlos Daniel Valadez
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY
4	SOURCE OF FUNDS (See Instructions) PF
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION State of Texas, U.S.A.
	7 SOLE VOTING POWER 1,789,133
	8 SHARED VOTING POWER 0
	9 SOLE DISPOSITIVE POWER 1,789,133
	10 SHARED DISPOSITIVE POWER 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,789,133
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.86% ⁽¹⁾
14	TYPE OF REPORTING PERSON IN

(1) Based upon 30,523,705 shares of the Issuer's common stock issued and outstanding as of March 31, 2023, as reported on the Issuer's Form 10-Q for the quarter ended March 31, 2023.

SCHEDULE 13D/A

This Amendment No. 2 to Schedule 13D (this "Amendment") amends and supplements the statements on the Schedule 13D (the "Original Schedule 13D") filed by Mr. Carlos Daniel Valadez ("Mr. Valadez") with the Securities and Exchange Commission (the "Commission") on April 10, 2023, as amended by the Schedule 13D/A ("Amendment No. 1") filed on May 10, 2023 by Mr. Valadez.

The Original Schedule 13D is amended and supplemented by adding the information contained herein. Only those items amended are reported herein. Items having no amendments or changes are not reported herein.

Item 4. Purpose of Transaction

Item 4 is hereby amended and restated in its entirety as follows:

Mr. Valadez acquired beneficial ownership of the Common Stock required herein for investment purposes, and such acquisitions were made in Mr. Valadez's ordinary course of business.

Mr. Valadez intends to engage in discussions with the Issuer, management, the board of directors and other persons that may relate to: the Issuer's strategic marketing plan, including but not limited to its website and social media; the Issuer's capital allocation strategy, including but not limited to the potential for share buybacks or other investments; the Issuer's branding strategy, including but not limited to pricing, branding and status; and other related topics. These discussions also may relate more generally to the Issuer's management, operations, business, assets, capitalization, and financial condition. In addition, as part of the ongoing evaluation of this investment, Mr. Valadez may consider such matters and, subject to applicable law, may formulate a plan with respect to such matters, and, from time to time, may make formal proposals to management or the board of directors of the Issuer, other stockholders of the Issuer or other third parties regarding such matters.

Mr. Valadez may also take one or more of the actions described in subsections (a) through (j) of Item 4 of Schedule 13D, including but not limited to, making proposals to management or the board of directors of the Issuer related to the topics described in the foregoing paragraph, acquiring additional shares, and discussing such actions with the Issuer, management, the board of directors, other stockholders and other persons.

Depending on various factors including, without limitation, the outcome of any discussions referenced above, the Issuer's financial position and strategic direction, actions taken by the Board, price levels of the Common Stock, other investment opportunities available to Mr. Valadez, conditions in the securities market and general economic and industry conditions, Mr. Valadez may in the future take such actions with respect to his investment in the Issuer as he deems appropriate including, without limitation, purchasing additional shares of Common Stock and/or other equity, debt, notes, instruments or other securities of the Issuer (collectively, "Securities"), disposing of any Securities, in the open market or otherwise, at any time and from time to time, and engaging in any hedging or similar transactions with respect to the Securities. Mr. Valadez reserves the right to change his intention with respect to any and all matters referred to in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

On May 15, 2023, Mr. Valdez sent a letter to the Board of Directors of Charles & Colvard LTD, requesting certain changes to the company's strategy. A copy of that letter is filed herewith as Exhibit 1.

Item 7. Material to be filed as exhibits

Item 7 is hereby amended in its entirety as follows:

<i>Exhibit Number</i>	<i>Description</i>
Exhibit 1	Letter from Carlos Daniel Valadez to the Board of Directors of Charles & Colvard LTD, dated May 15, 2023

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: May 16, 2023

/s/ Carlos Daniel Valadez
Carlos Daniel Valadez

May 15th, 2023 Board
Members
Charles & Colvard, Ltd. 170
Southport Drive
Morrisville, NC 27560 Dear
Board Members,

It is with great pride and confidence that I, (“Carlos Valadez”), am declared a 5.85% Beneficial Owner of Charles & Colvard, Ltd. (“Charles & Colvard” or “Company”) As a discerning investor, I have invested heavily in the company by acquiring over 1.78 million shares of the common stock outstanding, currently making me the second largest holder. I am writing to advocate for a transformative change that I believe will substantially benefit the company. I have identified several areas in which the company can improve and thrive in today's highly competitive market. I strongly urge the board to consider my recommendations carefully and take decisive action to implement them.

As a conscientious and forward-thinking shareholder, I believe that it is my duty to contribute my ideas and recommendations for the betterment of the company. I firmly believe that my proposed change will unlock significant value for all stakeholders and propel Charles & Colvard towards a brighter future.

First and foremost, allow me to express my utmost gratitude for your remarkable contributions towards the success of the company during your tenure on the board. Your unwavering commitment and dedication in navigating the organization through the challenging business landscape are highly valued, not just by myself, but by every shareholder. Once again, thank you for your remarkable service, and I look forward to your continued support in steering the company towards a prosperous future.

1. Re-Design Online Storefront

In this first letter, I will start off recommending two simple but effective changes to the site. Consider it an introduction, on my behalf. Today’s consumers are bombarded with an overwhelming amount of information on social media and the internet. As a result, our attention spans have decreased, and we have become more selective about the content we consume. This is especially true when it comes to online shopping, where customers want to quickly find what they are looking for without having to spend too much time browsing. I have noticed that the mobile site charlesandcolvard.com currently displays one product at a time in a grid view. While this design may have been suitable in the past, it may not be the most effective approach for generating sales in today's

fast-paced online marketplace. By displaying more products per row on a product page, we can help ease the browsing process and make it more efficient for customers to find what they need. I strongly believe that online shoppers are more likely to make a purchase when they can see multiple products at once, as it allows them to compare and contrast different items quickly. In a world where consumers are constantly multitasking and switching between different devices, providing a user-friendly interface with multiple products per row can be a powerful way to increase sales and capture customers' attention. This grid view should be changed to the way it's displayed at moissaniteoutlet.com. (Speaking of moissaniteoutlet.com, the site shows 3 categories Engagement Rings, Earrings, and Rings. These images take a while to process that it's introducing categories. They look more like a banner than shopping for categories. It's even harder to realize this on mobile. I suggest we remove the animation and make it clear.)

To summarize, I would like to recommend that you consider updating your mobile site to display two products at a time in a grid view per row. This design allows customers to see more products at a glance, making it easier for them to find what they are looking for quickly. This improved browsing experience can lead to increased engagement and ultimately, more sales as customers are more likely to find something they like when they see more options at once.

I am aware this "2 items per row" grid view might come off as little and unnecessary change but these updates matter, they add up. From my gathering you are focused on boosting business to consumer activity. Well, with the rise of smartphones and tablets, mobile browsing has become an integral part of our daily lives. This is especially true when it comes to online shopping, as more and more consumers are using their mobile devices to make purchases. I am sure its fair to say mobile devices now account for more than half of all e-commerce traffic. Therefore, it is essential for businesses to fully optimize their mobile sites to provide the best possible experience for customers. This means creating a mobile-friendly interface with easy-to-use navigation, clear product images, and a streamlined checkout process. By doing so, businesses can ensure that customers can easily browse and purchase products on-the-go, which can lead to increased sales and customer satisfaction. In addition, optimizing a mobile site can also improve search engine rankings, as Google has stated that mobile- friendly sites will rank higher in mobile search results. I strongly believe this little change will go a long way on the mobile site for customers when shopping.

2. Implementation of a "Gift" Tab

For my final recommendation in this letter; As I reflect on my experience browsing various e-commerce websites, I cannot help but emphasize the

importance of a "gift" tab. Time and again, I have come across this feature and found myself impulsively motivated to purchase a present for a loved one. It is a small yet powerful trigger that has had a significant impact on an impulsive purchase. Moreover, when I actively intend to buy a gift for someone, the presence of a "gift" tab provides me with a sense of comfort and ease. It is reassuring to know that I can easily find a suitable option, curated specifically for gifting purposes.

The "gift" tab serves as a powerful psychological trigger for consumers, prompting them to consider buying a gift for a loved one. When I see this tab on a website, I immediately think of all the people in my life who I could buy a gift for, and I feel inspired to browse the available options. Even when I have not originally intended to buy a gift, the presence of this feature can often persuade me to make a purchase.

In fact, I believe that this feature has the potential to not only increase sales but also to improve customers' experience on the website. By hand-selecting items that are categorized as gifts, we can help customers narrow down their options and find the perfect present more quickly and easily. This will make the website more user-friendly and increase customer satisfaction.

This feature may also help expand the brand outside of just being viewed as an engagement ring store. I've noticed, when I bring up the company's name many still view it as a place only focused on engagement rings, when in reality Charles and Colvard plus its subsidiaries are much more than that. The consumers' mentality over the brand needs to shift to more than just wedding rings.

One example of a company that has successfully implemented this feature is Tiffany & Co. When I compared their website to Charles and Colvard, I immediately noticed the difference. Their site felt more directed towards me as a consumer, with a clear emphasis on gift-giving. I believe that the company could see similar results by making this small but impactful change to the website.

Ultimately, adding a "gift" tab will not only improve the website's functionality and user experience but also increase marketing opportunities. By promoting this feature in the advertising and marketing campaigns, we can attract a wider audience and increase the brand's visibility.

As a consumer and a member of this company, I strongly urge you to consider implementing this change. It is a small adjustment that could have a significant impact on the business and customers' experience.

3. Honorable Mention

In my next letter, I would like to discuss the importance of keeping up with modern advertising and marketing practices. I respectfully express my frustration at the limited social media presence of the company. There seems to be a lack of branding and customer connection in this area, which presents an opportunity for a significant and transformative change for Charles and Colvard. Specifically, I believe it is crucial to actively engage on platforms like Instagram Reels or TikTok, participate in trending content, and reach out to new customers in order to boost sales and expand reach.

There are numerous creative and enjoyable approaches available to increase brand awareness and cultivate a loyal following. It's worth noting that the company holds a significant advantage as a leader in search engine rankings for the term "moissanite creator." Leveraging this position can greatly contribute to brand recognition. Furthermore, the slogan, "made, not mined," aligns well with the evolving consumer shift towards ethical and conscious purchasing decisions. It is critical to establish brand recognition among today's generation, as the market increasingly favors alternatives to diamonds and seeks more environmentally friendly options. This presents a valuable opportunity that should be capitalized on.

I firmly believe that much of the current marketing efforts are outdated, delayed, and not in line with today's consumers. To remain competitive, the company needs to adapt to the changing preferences of the target audience and stay ahead of the game. It is essential that the marketing strategies keep pace with today's consumers and reflect a modern approach.

Thank you for taking the time to read my letter. I am eagerly anticipating the company's future progress, particularly in terms of enhancing brand awareness and recognition while cultivating a loyal following.

Best regards,

Carlos Daniel Valadez