

Edgar Filing: CHARLES & COLVARD LTD - Form 3

CHARLES & COLVARD LTD
Form 3
March 12, 2001

FORM 3

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

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(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person

Chester L.F. Paulson
811 SW Naito Parkway, Suite 200
Portland, OR 97204
2. Date of Event Requiring Statement (Month/Day/Year)

2/16/2001
3. I.R.S. Identification Number of Reporting Person, if an entity (Voluntary)

N/A
4. Issuer Name and Ticker or Trading Symbol

Charles & Colvard, Ltd.(CTHR)
5. Relationship of Reporting Person(s) to Issuer (Check All Applicable)

/ / Director
/ / Officer (give title below)
/X/ 10% Owner
/ / Other (specify below)
6. If Amendment, Date of Original (Month/Day/Year)

N/A
7. Individual or Joint/Group Filing (Check Applicable Line)

/X/ Form filed by One Reporting Person
/ / Form filed by More than One Reporting Person

See next page for list of reporting persons

FORM 3 (CONTINUED)

Table 1 -- 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)
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(Instr. 5)

Common Stock	260,400	D
Common Stock	1,856,400	I

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

* If the form is filed by more than one reporting person, see Instruction 5(b) (v).

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 (Instr. 4)	4. Conversion or Exercise Price of Derivative Security
	Date Exercisable	Expiration Date	Title
			Amount or Number of Shares
Common Stock Warrants (right to buy)	11/14/98	11/14/02	Common Stock 214,592
			\$18.00

Explanation of Responses:

(1) Reporting person may be deemed to be the beneficial owner of the securities pursuant to the rules and regulations of the Securities and Exchange Commission. The reporting person is a controlling shareholder of Paulson Capital Corp., the parent of Paulson Investment Company, Inc. (PIC) The securities are held in the name of PIC.

/s/ CHESTER L.F. PAULSON

March 6, 2001

* Signature of Reporting Person
Chester L.F. Paulson

Date