

CHARLES & COLVARD LTD
Form 8-K
September 24, 2008

**UNITED STATES
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): 09/18/2008

CHARLES & COLVARD LTD

(Exact name of registrant as specified in its charter)

Commission File Number: 000-23329

NC
(State or other jurisdiction of
incorporation)

561928817
(IRS Employer
Identification No.)

300 Perimeter Park Drive, Suite A, Morrisville, NC 27560
(Address of principal executive offices, including zip code)

9194680399
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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:

- 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 September 18, 2008, Charles & Colvard, Ltd. (the "Company") entered into a letter agreement (the "New Agreement") with Cree, Inc. ("Cree"), which amended and supplemented the letter agreement between the Company and Cree entered into on November 12, 2007 (filed with the Securities and Exchange Commission on November 13, 2007 as Exhibit 10.108 to the Current Report on Form 8-K).

The New Agreement suspends the Company's commitment to purchase \$710,000 of silicon carbide inventory from Cree, its primary supplier, during the fourth quarter 2008. This purchase commitment will be added to the Company's yet to be established 2009 purchase commitment with Cree.

The description of the New Agreement set forth in this Item 1.01 is a summary of the material terms of the New Agreement and is qualified in its entirety by reference to the copy of the New Agreement attached hereto as Exhibit 10.123.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit 10.123 Letter Agreement, dated September 18, 2008, between Cree, Inc. and Charles & Colvard, Ltd.

Signature(s)

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 hereunto duly authorized.

CHARLES & COLVARD LTD

Date: September 24, 2008

By: /s/ James R. Braun

James R. Braun
CFO and VP of Finance

Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|---|
| EX-10.123 | Exhibit 10.123 Letter Agreement, dated September 18, 2008, between Cree, Inc. and Charles & Colvard, Ltd. |