

BABER RODNEY D  
Form SC 13G/A  
February 06, 2006

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

**SCHEDULE 13G/A**

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

Charles & Colvard, Ltd.  
(Name of Issuer)

Common Stock, no par value  
(Title of Class of Securities)

000159765106  
(CUSIP Number)

December 31, 2005

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

CUSIP No. 000159765106

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**1** NAMES OF REPORTING PERSONS:

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

Rodney D. Baber

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

(a)

(b)

**3** SEC USE ONLY:

**4** CITIZENSHIP OR PLACE OF ORGANIZATION:

United States of America

SOLE VOTING POWER:

**5**

NUMBER OF 599,560

SHARED VOTING POWER:

SHARES BENEFICIALLY OWNED BY **6**

0

SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON **7**

599,560

SHARED DISPOSITIVE POWER:

WITH: **8**

0

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

599,560

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): 1,281(1)

(a)

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

4.1%

**12** TYPE OF REPORTING PERSON\* (SEE INSTRUCTIONS):

IN

(1) Shares owned by Mrs. Baber.

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Item 1(a). Name of Issuer: **Charles & Colvard, Ltd.**

Item 1(b). Address of Issuer's Principal Executive Offices: **300 Perimeter Drive, Suite A  
Morrisville, North Carolina 27560**

Item 2(a). Name of Person Filing: **Rodney D. Baber**

Item 2(b). Address of Principal Business Office or, if none, Residence: **50 N. Front Street, 12th Floor  
Memphis, Tennessee 38103**

Item 2(c). Organization/Citizenship: **United States of America**

Item 2(d). Title of Class Of Securities: **Common Stock, no par value**

Item 2(e). CUSIP Number: **000159765106**

Item 3. Inapplicable.

Item 4. Ownership.

|                                  | <b>Total<br/>Shares<br/>of<br/>Common<br/>Stock<br/>Beneficially<br/>Owned</b> | <b>Percent<br/>of<br/>Class<br/>(1)</b> | <b>Sole<br/>Voting<br/>Power</b> | <b>Shared<br/>Voting<br/>Power</b> | <b>Sole<br/>Power<br/>to<br/>Dispose</b> | <b>Shared<br/>Power<br/>to<br/>Dispose</b> |
|----------------------------------|--|---|----------------------------------|------------------------------------|--|--|
| <b>Person</b><br>Rodney D. Baber | 599,560  | 4.1%                                    | 599,560                          | 0                                  | 599,560                                  | 0  |

(1) Based on 14,529,818 shares of Common Stock outstanding as of October 31, 2005 as reported on the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2005 filed with the Commission

on November 9,  
2005.

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Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: p

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Inapplicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

Inapplicable

Item 8. Identification and Classification of Members of the Group.

Inapplicable

Item 9. Notice of Dissolution of Group.

Inapplicable

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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**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.

02/06/2006

Date

/s/ Rodney D. Baber  
(Signature)

Rodney D. Baber