

CHARLES & COLVARD LTD
Form 4
March 03, 2003

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

OMB APPROVAL
OMB Number:
3235-0287

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Expires: January 31,
2005

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0.5

☐ Check box if no longer
subject to Section 16.
Form 4 or Form 5
obligations may
continue. See Instruction
1(b).

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(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person*			2. Issuer Name and Ticker or Trading Symbol		6. Relationship of Reporting Person(s) to Issuer (Check all applicable)					
Paulson Capital Corp.			Charles & Colvard Ltd. (CTHR)		☒ Director (1) ☒ 10% Owner ☐ Officer (give title below) ☐ Other (specify below) 					
(Last) (First) (Middle)			3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)	4. Statement for Month/Day/Year						
911 SW Naito Parkway, Suite 200				2/26/03						
(Street)			5. If Amendment, Date of Original (Month/Day/Year)	7. Individual or Joint/Group Filing (Check Applicable Line)						
Portland, OR 97204				☐ Form filed by One Reporting Person ☒ Form filed by More than One Reporting Person(1)						
(City) (State) (Zip)			Table I Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned							
1. Title of Security (Instr. 3)	2. Transaction Date (mm/dd/yy)	2A. Deemed Execution Date, if any (mm/dd/yy)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	2/26/2003		S		50,000	D	\$4.80	1,582,900 (3)	I	(4)

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 Instructions 4(b)(v).

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(Over)
SEC 1474 (9-02)

FORM 4 (continued) Table II Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date if any (Month/Day/Year)	4. Transaction Code Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form Derivative Security (Instr. 10)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

Explanation of Responses:

(1) Chester L.F. Paulson, a member of the filing group described below, became a director on 5/14/01.

/s/ HARRY L. STRIPLIN, power of attorney for 02/28/03

(2) In addition to Paulson Capital Corp. ("PCC"), the following are reporting parties: Chester L.F. Paulson, Paulson Family LLC ("LLC") and Paulson Investment Company, Inc. ("PIC"). The address for each of the reporting parties is the same as that provided for PCC.

Date

(3) Of the 1,582,900 shares of common stock owned by the reporting group, 1,398,500 shares are held in the name of PIC and 184,000 shares are held in the name of the LLC.

Chester L.F. Paulson, individually

Paulson Family LLC

(4) Chester Paulson is a controlling manager of the LLC, which is a controlling shareholder of PCC, which is the parent company of PIC. The securities are held in the name of PIC. Chester Paulson and the LLC expressly disclaim any beneficial ownership of securities in the name of PIC.

/s/ HARRY L. STRIPLIN

By: Harry L. Striplin,
Authorized Agent

Paulson Capital Corp.

/s/ HARRY L. STRIPLIN

By: Harry L. Striplin,
Senior Vice President - Compliance

Paulson Investment Company

/s/ HARRY L. STRIPLIN

By: Harry L. Striplin,
Senior Vice President - Compliance

**Signature of Reporting Person

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.
See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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