Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
EARL W. COLVARD, INC. SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1994

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
EARL W. COLVARD, INC.

C/O CPI-QPC, INC.
P.O. BOX 1167
GREAT BEND, KS 67530

2b Employer Identification Number (EIN)
59-2183177

2c Sponsor's telephone number
620-793-8473

2d Business code (see instructions)
441300

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2011	EARL COLVARD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

EARL W. COLVARD, INC.
C/O CPI-QPC, INC.
P.O. BOX 1167
GREAT BEND, KS 67530

3b Administrator's EIN: 59-2183177

3c Administrator's telephone number: 620-793-8473

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	284
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	262
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	12
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	274
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	275
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	208
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	7
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2F 2G 2J 2K 2S 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)			**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
EARL W. COLVARD, INC. SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
EARL W. COLVARD, INC.

D Employer Identification Number (EIN)
59-2183177

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

MATRIX FINANCIAL SOLUTIONS
700 17TH STREET, STE 300
DENVER, CO 80202

20-1591048

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

COMMONWEALTH FINANCIAL NETWORK
29 SAWYER ROAD
WALTHAM, MA 02453-3483

04-2675571

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

AMERICAN FUNDS
3500 WISEMAN BOULEVARD
SAN ANTONIO, TX 78251

95-1411037

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

BLACKROCK FUNDS
55 EAST 52ND STREET
NEW YORK, NY 10055

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

OPPENHEIMER

TWO WORLD FINANCIAL CENTER
NEW YORK, NY 10281

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRUDENTIAL

100 MULBERRY ST
GATEWAY CENTER 3, 6TH FLOOR
NEWARK, NJ 07102

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CPI QUALIFIED PLAN CONSULTANTS, INC

1809 24TH STREET
P.O. BOX 1167
GREAT BEND, KS 67530

48-1205033

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12 15 37 50 60 62 64	'NONE'	6488	Yes [X] No [ ]	Yes [X] No [ ]	4813	Yes [ ] No [X]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CPI QUALIFIED PLAN CONSULTANTS, INC	12 15 37 50 60 62 64	3913

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN FUNDS 3500 WISEMAN BOULEVARD SAN ANTONIO, TX 78251 95-1411037	SUBSIDY TO OFFSET CUSTODIAL AND TRADING EXPENSES

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN;
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
EARL W. COLVARD, INC. SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
EARL W. COLVARD, INC.

D Employer Identification Number (EIN)
59-2183177

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	75288
(2) Participant contributions	1b(2)	5607	0
(3) Other	1b(3)	1836	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	202594	220165
(9) Value of interest in common/collective trusts	1c(9)		0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	3946426	4899334
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	4156463	5194787
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	4156463	5194787

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	147638	
(B) Participants	2a(1)(B)	444668	
(C) Others (including rollovers)	2a(1)(C)	163516	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		755822
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	8958	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		8958
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	127812	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		127812
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	980743	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	933727	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		47016

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		338853
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1278461
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	227052	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		227052
f Corrective distributions (see instructions)	2f		10223
g Certain deemed distributions of participant loans (see instructions)	2g		1424
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	1438	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1438
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		240137
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		1038324
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: COHEN, SMITH & COMPANY, P.A. (2) EIN: 59-2239538

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
EARL W. COLVARD, INC. SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
EARL W. COLVARD, INC.

D Employer Identification Number (EIN)
59-2183177

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 26-0871198

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

EARL W. COLVARD, INC.
SAVINGS PLAN

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2010 AND 2009

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COHEN
SMITH &
COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Robert L. Cohen, CPA (1934-1996)
George S. Smith III, CPA
Michael W. Brooks, CPA

INDEPENDENT AUDITOR'S REPORT

Earl W. Colvard
Plan Administrator
EARL W. COLVARD, INC. SAVINGS PLAN

We were engaged to audit the financial statements of the EARL W. COLVARD, INC. SAVINGS PLAN as of and for the years ended December 31, 2010 and 2009, and the supplemental schedules as of and for the years ended December 31, 2010 and 2009 as listed in the accompanying index. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note H, which was certified by the MG Trust Company, LLC, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the trustees is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and in our opinion, except for the omission of the information discussed in the preceding paragraph, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Cohen, Smith & Company, P.A.
Certified Public Accountants
DeLand, Florida

October 5, 2011

133 East Indiana Avenue ▲ DeLand, Florida 32724-4329
Telephone (386) 738-3300 ▲ Telefax (386) 736-2267 ▲ www.cohensmithcpas.com
Members of American and Florida Institutes of Certified Public Accountants

Earl W. Colvard, Inc. Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2010 and 2009

ASSETS

	2010	2009
ASSETS		
Investments (at fair value)	$ 4,899,334	$ 3,946,427
Participant loans	220,165	202,594
Receivables:		
Employer's contribution receivable	75,288	0
Participants' contribution receivable	0	5,607
Other receivables	0	1,836
Total Receivables	75,288	7,443
NET ASSETS AVAILABLE FOR BENEFITS	$ 5,194,787	$ 4,156,464

See accompanying notes.

Earl W. Colvard, Inc. Savings Plan
Statement of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2010 and 2009

	2010	2009
ADDITIONS		
Additions to net assets attributed to:		
Investment Income (Loss):		
Net appreciation (depreciation) in fair value of investments	$ 385,870	$ 715,580
Dividend income	127,812	82,294
Interest income	8,955	12,349
Other income	0	114
Total Investment Income (Loss)	522,637	810,337
Contributions:		
Participants' contributions	444,668	421,515
Employer's contributions	148,375	70,198
Rollover contributions	163,516	16,184
Total Contributions	756,559	507,897
TOTAL ADDITIONS	1,279,196	1,318,234
DEDUCTIONS		
Deductions from net assets attributed to:		
Benefits paid to participants	227,052	174,177
Corrective distributions	10,223	4,631
Deemed distributions of participant loans	1,424	27,948
Administrative expenses	1,438	1,750
Distribution fees	0	1,816
Forfeitures	737	15,287
TOTAL DEDUCTIONS	240,874	225,609
NET INCREASE (DECREASE)	1,038,322	1,092,625
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	4,156,464	3,063,838
END OF YEAR	$ 5,194,786	$ 4,156,463

See accompanying notes.

EARL W. COLVARD, INC. SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A - DESCRIPTION OF PLAN

The following description of the EARL W. COLVARD, INC. SAVINGS PLAN (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General. The Plan is a defined contribution plan covering all full-time employees of Earl W. Colvard, Inc., d/b/a Boulevard Tire Center and Boulevard Retread Center, Inc., which are commonly-owned corporations. Employees must also have completed one year of service and have attained age twenty-one. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions. For the years ended 2010 and 2009, participants may contribute up to 85% of their pretax annual compensation, as defined in the Plan. Participant contributions are subject to a maximum annual limitation of $16,500 for 2010 and 2009. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans (rollover contributions).

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan offers multiple investment options in registered investment companies (e.g. mutual funds).

For 2010 and 2009, Earl W. Colvard, Inc., d/b/a Boulevard Tire Center and Boulevard Retread Center, Inc. (the Companies) contributed an amount equal to 1% of participant compensation to the Plan for participants contributing 4% or more of their compensation to the Plan, and 0.25% for every 1% for those participants contributing less than 4% of their compensation to the Plan. The matching employer contribution is invested based on the participant's investment options selected.

Additional profit-sharing amounts may be contributed at the option of the Companies' boards of directors and are invested as directed by the participants. Contributions are subject to certain limitations. For 2010, the Companies elected to contribute an additional 1% profit-sharing contribution for participants contributing 4% or more, and .25% for every 1% for those participants contributing less than 4% of their compensation to the plan. No elective profit-sharing contribution was made in 2009.

Participants Accounts. Each participant's account is credited with the participant's contribution and allocations of (a) the Companies' contribution and, (b) Plan earnings, and charged with an allocation of administrative expenses and Plan losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting. Participants are immediately vested in their contributions, plus actual earnings thereon. Vesting in the Companies' contribution portion of their accounts is based on years of continuous service. For the years ended 2010 and 2009, a participant is 100% vested after six years of credited service.

NOTE A - DESCRIPTION OF PLAN, continued

Participant Loans.
Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. The loans are secured by the vested balance in the participant's account and bear interest at rates at Prime Rate plus 2%. Principal and interest is paid ratably through monthly payroll deductions for a period not to exceed five years. At December 31, 2010 and 2009, participant loans totaled $220,165 and $202,594, respectively.

Payment of Benefits.
On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments determined by the participant. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution or continue to participate in the plan if the participant's vested account balance is more than $5,000.

Forfeited Accounts.
Forfeited nonvested accounts can be used to pay plan administrative expenses and to reduce future employer contributions. In 2010 and 2009 plan administrative expenses were reduced by $0 and $1,749, respectively. Also, in 2010 and 2009, employer contributions were reduced by $737 and $15,287, respectively, from forfeited nonvested accounts.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of the Plan are prepared under the accrual method of accounting. The Plan's investments are stated at estimated fair market value (refer to Notes C and D).

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Payment of Benefits
Benefits are recorded when paid.

NOTE C – FAIR VALUE MEASUREMENTS

Statement of Financial accounting Standards No. 157, "Fair Value Measurements", establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs are unadjusted quoted prices in active markets for identical assets, and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs have the lowest priority. The Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Gains and losses (including realized gains and losses on investments bought and sold, as well as unrealized gains and losses on investments held during the year) are included in the Statement of Changes in Net Assets Available for Benefits. For the year ended December 31, 2010, net appreciation in fair value of these investments amounted to $385,870.

NOTE D - INVESTMENTS

The following presents fair value of investments at December 31, 2010 and 2009 that represent 5% or more of the Plan's net assets.

	December 31, 2010	2009
Am Funds 2010 Tdate R4	$ 436,675	$ 411,394
Am Funds 2015 Tdate R4	441,802	368,699
Am Funds 2020 Tdate R4	971,172	624,571
Am Funds 2025 Tdate R4	739,654	745,357
Am Funds 2030 Tdate R4	379,726	285,628
Am Funds 2035 Tdate R4	291,961	217,768
Am Funds Money Market R4	270,810	234,207

NOTE E- RELATED PARTY TRANSACTIONS

The Plan investments are managed by Qualified Plan Consultants, Inc. Qualified Plan Consultants is the contract administrator as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. There was $1,438 paid to Qualified Plan Consultants, Inc. by the Plan in 2010.

The investment trustee is MG Trust Company, LLC. For the years ended December 31, 2010 and 2009, administrative expenses paid to MG Trust Company, LLC by the Plan 2010 amounted to $ 0 and $125, respectively.

NOTE E- RELATED PARTY TRANSACTIONS, continued

The Plan's sponsor, Earl W. Colvard, Inc., d/b/a Boulevard Tire Center and Boulevard Retread Center, Inc., absorbs a substantial portion of the administrative and accounting costs of the plan.

NOTE F- PLAN TERMINATION

Although it has not expressed any intent to do so, the Companies have the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

NOTE G - TAX STATUS

The Internal Revenue Service has determined and informed the Companies by a letter dated July 22, 2003, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE H - INFORMATION PREPARED AND CERTIFIED BY THE INVESTMENT TRUSTEE

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified as complete and accurate by investment trustee.

	2010	2009
Investments at fair market value (certified)	$ 4,899,334	$ 3,946,427
Investment income (loss)	$ 522,637	$ 810,337

NOTE I – RISKS AND UNCERTAINTIES

With the exception of the registered investment companies (mutual funds) investing in securities that are backed by the full faith and credit of the U.S. government, the plan's investments are not guaranteed or insured by the U.S. government. Consequently, the plan and its participants are subject to the risk of loss on the investments up to the face amount shown in these financial statements.

NOTE J – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 5, 2011, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EARL W. COLVARD, INC. SAVINGS PLAN

EIN 59-2183177
Plan Number 001
Plan Year 01/01/2010 to 12/31/2010

(A)	(B) Identity of issuer, borrower, lessor or similar party	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(D) Current Value
	The American Funds	Registered Investment Company AM FUNDS AMCAP FUND R4	$ 660
	The American Funds	Registered Investment Company AM FUNDS BOND FUND R4	$ 39,525
	The American Funds	Registered Investment Company AM FUNDS CAP INC BLDR R4	$ 50,436
	The American Funds	Registered Investment Company AM FUNDS CAP WLD G & L R4	$ 29,257
	The American Funds	Registered Investment Company AM FUNDS CASH MGMT TR R4	$ 0
	The American Funds	Registered Investment Company AM FUNDS FUND INV R4	$ 10,059
	The American Funds	Registered Investment Company AM FUNDS HIGH INCOME TR R4	$ 1,518
	The American Funds	Registered Investment Company AM FUNDS INCOME FUND R4	$ 62,654
	The American Funds	Registered Investment Company AM FUNDS NEW WORLD R4	$ 57,031
	The American Funds	Registered Investment Company AM FUNDS 2010 TDATE R4	$ 411,394
	The American Funds	Registered Investment Company AM FUNDS 2015 TDATE R4	$ 368,699
	The American Funds	Registered Investment Company AM FUNDS 2020 TDATE R4	$ 624,571
	The American Funds	Registered Investment Company AM FUNDS 2025 TDATE R4	$ 745,357
	The American Funds	Registered Investment Company AM FUNDS 2030 TDATE R4	$ 285,628
	The American Funds	Registered Investment Company AM FUNDS 2035 TDATE R4	$ 217,768
	The American Funds	Registered Investment Company AM FUNDS 2040 TDATE R4	$ 167,485
	The American Funds	Registered Investment Company AM FUNDS 2045 TDATE R4	$ 126,376

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR), continued

(A)	(B) Identity of issuer, borrower, lessor or similar party	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(D) Current Value
	The American Funds	Registered Investment Company AM FUNDS 2050 TDATE R4	$ 68,146
	The American Funds	Registered Investment Company AM FUNDS WASH MUTUAL R4 FUND	$ 24,970
	The American Funds	Registered Investment Company AM FUNDS EUROPACIFIC GRWTH R3	$ 45,183
	The American Funds	Registered Investment Company AM FUNDS MONEY MKT R4	$ 234,205
	VanKampen Funds	Registered Investment Company VANKAMPEN SMALL CAP VALUE A	$ 111,785
	Victory Funds	Registered Investment Company VICTORY SPECIAL VALUE A	$ 77,267
	Columbia Funds	Registered Investment Company COLUMBIA MID CAP VALUE A	$ 89,693
	Lord Abbett Funds	Registered Investment Company LORD ABBETT SMALL CAP BLEND A	$ 21,466
	Munder Funds	Registered Investment Company MUNDER MID-CAP CORE GROWTH A	$ 75,293
	Participant Loans	Range of Interest Rates Rates Range From 9.75% to 10.25%	$ 202,594

Schedule H, Line 4i

Schedule of Assets (Held At End of Year)

Name of Plan:

▶ Earl W. Colvard, Inc. Savings Plan

Employer Identification Number: ▶ 59-2183177

For plan year (beginning/ending): ▶ 01/01/2010 to 12/31/2010 Plan number: ▶ 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	LOAN FUND	OTHER LOANS 9.75 % - 10.25%	N/A	220,165
	AMERICAN FUNDS AMCAP FUND	VALUE OF INT IN REGIST INVEST CO	N/A	590
	AMERICAN FUNDS BOND FUND AM	VALUE OF INT IN REGIST INVEST CO	N/A	45,245
	AMERICAN FUNDS CAP INC BLDR	VALUE OF INT IN REGIST INVEST CO	N/A	88,428
	AMERICAN FUNDS CAP WLD G&I	VALUE OF INT IN REGIST INVEST CO	N/A	43,011
	AMERICAN FUNDS EUROPACIFIC	VALUE OF INT IN REGIST INVEST CO	N/A	53,660
	AMERICAN FUNDMNTL INVSTRS	VALUE OF INT IN REGIST INVEST CO	N/A	12,972
	AMERICAN FUNDS HIGH INC TR	VALUE OF INT IN REGIST INVEST CO	N/A	4,086
	AMERICAN FUNDS INCOME FUND	VALUE OF INT IN REGIST INVEST CO	N/A	105,763
	AMERICAN FUNDS MONEY MKT	VALUE OF INT IN REGIST INVEST CO	N/A	267,723
	AMERICAN NEW WORLD	VALUE OF INT IN REGIST INVEST CO	N/A	74,829
	AMERICAN FUNDS WASH MUTUAL	VALUE OF INT IN REGIST INVEST CO	N/A	31,577
	AMERICAN FUNDS 2010 TDATE	VALUE OF INT IN REGIST INVEST CO	N/A	430,643
	AMERICAN FUNDS 2015 TDATE	VALUE OF INT IN REGIST INVEST CO	N/A	437,981
	AMERICAN FUNDS 2020 TDATE	VALUE OF INT IN REGIST INVEST CO	N/A	962,375
	AMERICAN FUNDS 2025 TDATE	VALUE OF INT IN REGIST INVEST CO	N/A	727,124
	AMERICAN FUNDS 2030 TDATE	VALUE OF INT IN REGIST INVEST CO	N/A	369,318
	AMERICAN FUNDS 2035 TDATE	VALUE OF INT IN REGIST INVEST CO	N/A	286,399
	AMERICAN FUNDS 2040 TDATE	VALUE OF INT IN REGIST INVEST CO	N/A	158,212
	AMERICAN FUNDS 2045 TDATE	VALUE OF INT IN REGIST INVEST CO	N/A	173,801
	AMERICAN FUNDS 2050 TDATE	VALUE OF INT IN REGIST INVEST CO	N/A	97,044
	AMERICAN FUNDS ST BD FD	VALUE OF INT IN REGIST INVEST CO	N/A	31,695
	INV MID CAP CORE EQUITY	VALUE OF INT IN REGIST INVEST CO	N/A	99,773
	INV VAN KAMP SMALL CAP VALUE	VALUE OF INT IN REGIST INVEST CO	N/A	154,503
	JANUS PERKINS MID CAP VALUE	VALUE OF INT IN REGIST INVEST CO	N/A	114,980
	LORD ABBETT SMALL CAP BLEND	VALUE OF INT IN REGIST INVEST CO	N/A	25,788
	MUNDER MID-CAP CORE GROWTH	VALUE OF INT IN REGIST INVEST CO	N/A	101,699
	OPP MAIN STREET SMALL MD CP	VALUE OF INT IN REGIST INVEST CO	N/A	117