
**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: June 27, 2016
(Date of earliest event reported)

SCIO DIAMOND TECHNOLOGY CORPORATION
(Exact name of registrant as specified in its charter)

Commission File Number: 333-166786

Nevada
(State or other jurisdiction of incorporation)

45-3849662
(IRS Employer Identification No.)

**411 University Ridge Suite D
Greenville, SC 29601**
(Address of principal executive offices, including zip code)

(864) 751-4880
(Registrant's telephone number, including area code)

Not Applicable
(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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(a) On June 27, 2016, James Korn submitted a letter addressed to Scio Diamond Technology Corporation (the “Company”), in which he informed the Company of his resignation as a member of the Board of Directors of the Company (the “Board”). In addition to serving on the Board, Mr. Korn was a member of the Company’s Audit Committee and Compensation Committee. A copy of Mr. Korn’s resignation letter is attached hereto as Exhibit 99.2. The Board, exclusive of Bern McPheely, its Chairperson, submits the attached open letter to the Company’s shareholders attached hereto as Exhibit 99.1.

The Company believes Mr. Korn’s primary disagreements with the Company relate to allegations concerning Mr. McPheely’s leadership as Chairperson, including historical operational performance, disclosure of material events and presentation of materials to shareholders. The Board’s thoughts with regard to the disagreements expressed by Mr. Korn are set forth in Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Open letter to the shareholders of Scio Diamond Technology Corporation by the Board (excluding Bernard McPheely), dated June 29, 2016.

99.2 James Korn resignation letter, dated June 27, 2016.

SIGNATURE

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.

SCIO DIAMOND TECHNOLOGY CORPORATION

By: /s/ Gerald McGuire
Gerald McGuire
Chief Executive Officer

Date: June 29, 2016

EXHIBIT INDEX

Exhibit Number	Description
99.1	Open letter to the shareholders of Scio Diamond Technology Corporation by the Board (excluding Bernard McPheely), dated June 29, 2016.
99.2	James Korn resignation letter, dated June 27, 2016.

Exhibit 99.1

June 29, 2016

An open letter to the shareholders of
Scio Diamond Technology Corporation:

On June 28, the Scio Diamond Board of Directors was made aware of Mr. Jim Korn's letter dated June 27 to Bernard McPheely, Chairman Scio Diamond Board of Directors, in which Mr. Korn resigned from Scio Diamond's Board. We have respect for and appreciate Mr. Korn's contributions to the Board and the Company, however, we are at a loss in understanding his motivation for doing so or in making the claims he's made against the Board's Chairman.

While we strongly believe these claims to be baseless and have consistently seen Mr. McPheely work tirelessly on behalf of Scio's shareholders, we have taken steps to obtain an independent investigation into the allegations. This will require the Company to briefly delay its annual 10-K filing as the necessary time is taken to do this important work.

The Board wishes to emphasize the quality, volume and integrity of the work Mr. McPheely has undertaken as Chairman in the Board's unified mission to make the Company successful for the benefit of all shareholders. Mr. McPheely has personally identified and developed a wide range of opportunities to assist the Company in addressing its challenges – including but not limited to the Company's need to raise working capital, while two of the Company's former directors (one a business associate of Mr. Korn's) actively liquidated their holdings making it highly difficult for the Company to do so.

During Mr. Korn's tenure on the Board he was an active and welcome participant in face-to-face Board of Directors meetings and Audit Committee conference calls (Mr. Korn was a member of the Audit Committee). At no time during these interactions have we witnessed Mr. Korn express any of the concerns leveled in his letter of resignation. To the contrary, meeting minutes and Mr. Korn's voting records show his consistent support of the Chairman's and the Board's actions.

While appreciative of the time Mr. Korn donated to helping Scio Diamond succeed, we are left questioning the content of his letter of resignation.

We the Board of Directors remain dedicated and focused on bringing value to Scio Diamond shareholders in as expeditious a fashion as we see possible and making Scio Diamond successful in the marketplace. We've faced a number of unexpected challenges over the course of the last two years, including cash flow challenges, technology issues and even an unexpected water main break and still remain committed to the goal of delivering on the potential and opportunity ahead of us. Even though we cannot diminish the fact that the road has been more challenging than we anticipated, we remain focused on the tasks ahead of us including growing better and better diamonds, increasing operational reliability and doing so with greater predictability both for our growing customer base and for our investors.

Signed,

Bruce Likly, Vice Chairman of the Board, Corporate Governance Committee Chairman and Audit Committee member

Ben Wolkowitz, Board Member, Audit Committee Chairman

Lewis Smoak, Board Member, Compensation Committee Chairman and Corporate Governance Committee member

Karl Leaverton, Board Member, Compensation Committee member, Corporate Governance Committee member

Gerald McGuire, Board Member, Chief Executive Officer

Exhibit 99.2

June 27, 2016

Bernard M. McPheely
Chairman of the Board
Scio Diamond Technology Corporation
303 Golden Wings Way
Greer, South Carolina 29650

Re: Resignation from Board of Directors

Dear Bernie,

I hereby render my resignation from Scio Diamond Technology Corporation ("Scio") effective immediately, as I believe I can no longer continue to effectively serve the interests of the shareholders of Scio under your leadership. I note that in connection with my resignation you are required to publish this letter with the required Securities and Exchange Commission filing.

I agreed to join the board of Scio in early June, 2014. After you assumed the Chairmanship of Scio in late June, 2014, I agreed to stay on and aid with the Board transition and continue to assist with Scio's governance. By every measure, your leadership of Scio as Chairman has jeopardized the future of this company and our shareholders' investment.

As the financial statements make clear, you have lead Scio to insolvency. Foremost, in that regard, I cannot understand how you can presently accept equity investments from potential equity investors. Even if such investments are "technically" legally-a tenuous assertion at best-what is your plan to provide a return to these individuals on the monies they are investing? Moreover, what has been your personal financial contribution to the enterprise that you gained control of after a contentious proxy fight? As I understand it, your entire financial contribution to date would not suffice to fund even a single month of the company's operations. In the meantime, I understand you have purchased inventory at a discount from the company, thereby enriching yourself at its expense. Now is the time to lead by example. You and the others who participated in the proxy fight should lead by example and financially support the company.

For the record and so that the Board and investing public can appreciate my views, I relate the following examples that illustrate your stunning lack of managerial ability and your clear and manifest violations of your fiduciary duties to our shareholders:

1) Horrific Operational Performance

During the first investor call you conducted with our shareholders on July 17, 2014, you predicted that Scio would be cash flow break-even within six to nine months. Of course, Scio has never achieved anything even close to that; indeed, its performance has regressed significantly on most every measurable financial metric under your leadership. In reality, under your leadership Scio's business has been more successful generating cash flow from insurance claims than actual revenues from the sale of diamond material.

2) Failure to Disclose Material Events

You have consistently failed to disclose to the investing public material events. I offer three examples. First, you elected not to disclose to the investing public for weeks a material equipment failure which effectively shuttered our operations. Second, we have a receivable on our books based on a relationship which you personally negotiated that our CFO has characterized as being of "highly questionable collectability." This receivable is equal to a double digit percentage of our annual revenue from diamond material, but for months you have purposively neglected to inform our auditors, the other members of the board, and the investing public of the issues relating to the receivable. Is there some personally favorable side deal you have with this party? Is everything above board and has it all been disclosed? Third, we recently had another equipment failure that has still not been disclosed. This failure has once again resulted in a material diminution of our revenue.

As the leader of the "Save Scio" group, you promised complete transparency. How can anyone evaluate the value of Scio without timely disclosure of these important issues? How could the recent investors in Scio who invested via a private placement evaluate the merits of an investment without this information?

3) Misleading Draft Presentation for Shareholders at Shareholder Meeting

Prior to our 2015 shareholders meeting, I and other Board members attended a Board of Directors meeting where counsel displayed a draft powerpoint presentation prepared by you for the shareholders meeting. According to the draft, you intended to communicate to the shareholders that Scio was going to be "profitable" for the first calendar quarter of 2016 because that is what you previously "promised" investors. When I pressed you on the veracity of the statement, you confessed that it was a clear misrepresentation and you made a revision to the powerpoint which itself later proved to also be a materially inaccurate prediction. We all know this is not the way to run a company. I am left to wonder, as should others, about what information you have communicated to existing and prospective shareholders and others that was clearly misleading that I could not prevent.

All of these above examples highlight the exact fears and issues expressed by the CEO and CFO of Scio themselves before you became Chairman of Scio through your "Save Scio" campaign when Scio noted in its August 13, 2013 10-Q filing that you had "engaged in a prolonged pattern of activity and behavior which the Company believe[d] likely may have violated ... [your] fiduciary duties to ... [Scio], ... [Scio's] Code of Ethics, various aspects of Nevada and South Carolina corporate and/or civil law, South Carolina criminal law, and Federal and state securities laws."

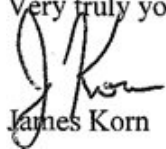
I have every confidence in the ability of Jerry McGuire (hired by the previous Board) to run Scio if you were to assist him in a meaningful way as Chairman by providing him with the resources any CEO would need to be successful: sufficient capital and industry expertise. In reality, because you have failed to secure the sufficient funding you promised when your tenure as Chairman began after your "Save Scio" campaign, Jerry McGuire has been required to act as CEO, head of sales, head of operations, chief scientist, and lead fund raiser. Further, your hand-picked board has no director with any industry experience. Indeed, in connection with your Save

Scio movement you required the resignation of the only Scio board member with any diamond industry experience-Theo Strous-and the resignation of the only Scio board member with technical expertise, indeed the inventor of Scio's technology and one of the world's leading authorities on lab grown diamonds-Robert Linares.

Scio's stock price was over \$3.00 when you joined the Board of Directors of Scio in 2012. Scio's stock price was approximately \$.34 when you assumed control of the company as Chairman, after your efforts at gaining control both before and during the "Save Scio" campaign severely depleted the company's financial resources and made it almost impossible for the company to recapitalize itself. The stock price today is \$.16 and precipitously declining weekly. Scio operates on life support. As the leader of "Save Scio," what exactly have you saved? One thing is clear: since your involvement in Scio began, you have destroyed over \$125 million of shareholder value.

This letter is not intended as a complete or detailed list of all of the issues or violations of law on your part.

Very truly yours,



James Korn
