

U. S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-QSB/A

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended May 31, 2000

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from _____ to _____

Commission File Number 0-23386

CRYO-CELL INTERNATIONAL, INC.

(Exact name of Small Business Issuer as Specified in its Charter)

DELAWARE

22-3023093

(State or other Jurisdiction
of Incorporation or
Organization)

(I.R.S. Employer
Identification No.)

3165 MCMULLEN BOOTH ROAD, BUILDING B, CLEARWATER, FLORIDA 33761

(Address of Principal Executive Offices) (Zip Code)

Issuer's phone number, including area code: (727) 723-0333

(Former name, former address and former fiscal year, if changed since last report).

Check whether the issuer (1) has filed all reports required to be filed by section 13 or 15 (d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

State the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date. As of May 31, 2000, 10,033,889 shares of \$0.01 par value common stock were outstanding.

Transitional Small Business Disclosure Format (check one). Yes No

CRYO-CELL INTERNATIONAL, INC.

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CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

<TABLE> <CAPTION>	May 31, 2000	November 1999
30,	-----	-----

<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,119,917	\$
1,555,190		
Accounts receivable and advances (net of allowance for doubtful accounts of \$14,688)	108,947	
57,548		
Receivable - litigation	69,178	
69,178		
Receivable - Revenue Sharing Agreement	400,000	
450,000		
Marketable securities	329,745	
109,407		
Refundable income taxes	1,596	
890		
Prepaid expenses and other current assets	323,197	
200,266		
-----	-----	-----
Total current assets	4,352,580	
2,442,479		
-----	-----	-----
PROPERTY AND EQUIPMENT	2,934,873	
2,719,804		
-----	-----	-----
OTHER ASSETS		
Intangible assets (net of amortization of \$77,641 and \$65,864, respectively)	73,485	
66,095		
Marketable securities	399,257	
219,383		
Investment option to purchase	75,000	
-		
Deposits with vendors and others	31,843	
82,681		
-----	-----	-----
Total other assets	579,585	
368,159		
-----	-----	-----
5,530,442	\$ 7,867,038	\$
=====	=====	

</TABLE>

LIABILITIES AND STOCKHOLDERS' EQUITY

<TABLE> <CAPTION>	May 31, 2000	November 1999
30,	-----	-----

<S>	<C>	<C>
CURRENT LIABILITIES		
Accounts payable	\$ 157,938	\$
35,689		
Accrued expenses and withholdings	165,545	
167,189		
Current portion of obligations under capital leases	7,265	
7,604		
-----	-----	-----

Total current liabilities	330,748	
210,482		

OTHER LIABILITIES		
Unearned revenue	239,154	
145,535		
Deposits	30,375	
124,550		
Obligations under capital leases-net of current portion	14,568	
17,652		

Total other liabilities	284,097	
287,737		

STOCKHOLDERS' EQUITY		
Preferred stock (500,000 \$.01 par value authorized and unissued)	-	
-		
Common stock (20,000,000 \$.01 par value common shares authorized; 10,033,889 at May 31, 2000 and 9,193,155 at November 30, 1999 issued and outstanding)	100,339	
91,932		
Additional paid-in capital	14,843,512	
12,351,688		
Net realized gain (loss) on marketable securities	326,502	
(71,210)		
Accumulated deficit	(8,018,160)	
(7,340,187)		

Total stockholders' equity	7,252,193	
5,032,223		

	\$ 7,867,038	\$
5,530,442		
=====		

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these statements.

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CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	May 31,	May 31,	May 31,	May
31,	2000	1999	2000	1999
	-----		-----	
<S>	<C>	<C>	<C>	<C>
REVENUE	\$ 519,738	\$ 311,749	\$ 945,641	\$
531,216	-----		-----	

COSTS AND EXPENSES:				
Cost of sales	219,796	130,613	383,403	
231,438				
Marketing, general & administrative expenses	653,388	531,768	1,230,024	
1,030,000				
Research, development and related engineering	174,534	19,190	195,725	
42,505				
Depreciation and amortization	23,240	28,580	54,549	
57,161	-----		-----	

Total cost and expenses	1,070,958	710,151	1,863,701	
1,361,104	-----		-----	

OPERATING LOSS	(551,220)	(398,402)	(918,060)	
(829,888)	-----		-----	

OTHER INCOME AND (EXPENSE):

Interest Income	25,974	-	41,332
Interest Expense	(371)	(521)	(1,245)
Other Income	200,000	-	200,000
Settlement on Litigation	-	341,000	-
Total other income	225,603	340,479	240,087

NET LOSS (491,434) \$ (325,617) \$ (57,923) \$ (677,973) \$

NET LOSS PER SHARE (\$0.06) (\$0.03) (\$0.01) (\$0.07)

Number of Shares Used In Computation 8,207,458 9,895,148 8,549,460 9,599,764

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these statements.

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

	SIX MONTHS ENDED	
	May 31, 2000 (unaudited)	May 31, 1999
(unaudited)		
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss (491,434)	\$ (677,973)	\$
Adjustments to reconcile net loss to cash used for operating activities:		
Depreciation and amortization 57,161	62,618	
Issuance of common stock for interest and services rendered 117,334	64,632	
Changes in assets and liabilities:		
Accounts receivable (24,013)	(51,399)	
Receivable - Revenue Sharing Agreement	50,000	
Receivable - Litigation (341,000)	-	
Prepaid expenses and other current assets (141,467)	(122,931)	
Deposits	50,838	
Accounts payable 82,037	122,248	
Accrued expenses (155,733)	(1,644)	
Refundable income taxes payable	(706)	
Unearned revenue and deposits 66,009	(556)	

----	-----	-----
NET CASH USED FOR OPERATING ACTIVITIES (831,106)	(504,873)	
----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment -option to purchase	(75,000)	
-		
Purchases of securities	(2,500)	
-		
Purchases of property and equipment (8,390)	(265,890)	
Payments for intangible assets	(19,187)	
-		
----	-----	-----
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES (8,390)	\$ (362,577)	\$
----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the sale of securities 1,015,208	21,000	
Proceeds (repayment) of short term borrowings (550,000)	-	
Exercise of stock options	2,414,600	
-		
Repayment of capital leases (2,336)	(3,423)	
----	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES:	2,432,177	
462,872		
----	-----	-----
Increase (decrease) in cash and cash equivalents (376,624)	1,564,727	
Beginning of period 499,696	1,555,190	
----	-----	-----
End of period 123,072	3,119,917	
=====	=====	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest 521	\$ 1,245	\$
----	-----	-----
Income taxes -	\$ -	\$
----	-----	-----
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
----	-----	-----
Debt converted into common stock 530,000	\$ -	\$
=====	=====	

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of these statements.

Statements of Operations for the three and six months ended May 31, 2000 and May 31, 1999, and Consolidated Statement of Cash Flows for the six months ended May 31, 2000 and May 31, 1999 have been prepared by the Company, without audit. In the opinion of Management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows at May 31, 2000 and for all periods presented have been made.

Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's November 30, 1999 Annual Report on Form 10-KSB.

NOTE 2 - MARKETABLE SECURITIES

NET/TECH INTERNATIONAL

In November 1998 the Company's ownership percentage in Net/Tech International Inc. (NTTI) decreased to less than 20% of the outstanding shares of NTTI. The Company had accounted for its investment in NTTI in previous years using the equity method but as of the date upon which its ownership percentage fell below 20% the Company used the guidance in SFAS 115 ACCOUNTING FOR CERTAIN INVESTMENT IN DEBT AND EQUITY SECURITIES, to account for the investment. Under this guidance all of the Company's marketable securities are classified as available-for-sale as of the balance sheet date and reported at fair value, with unrealized gains and losses recorded as a component of stockholder's equity. Since NTTI stock is thinly traded and subject to considerable price fluctuation, were the Company to attempt to sell large blocks of shares, it is unlikely that the Company would be able to obtain the exchange market value as listed. This security is therefore subject to considerable market risk. Since the stock owned in Net/Tech International, Inc. is subject to trading restrictions a portion of this investment has been classified as a non-current asset based upon the number of shares, which may not be sold in 2000.

The Company recognized losses under the equity method for the NTTI investment during 1998 reducing the cost basis of the stock to \$0. An unrealized gain has been recorded as a component of stockholders equity in the amount of \$529,621 and \$685,933 to reflect the fair market value of the investment as of May 31, 2000 and May 31, 1999, respectively.

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2000
(UNAUDITED)

NOTE 2 - MARKETABLE SECURITIES (CONT'D)

OTHER SECURITIES

In 1997 the Company acquired 100,000 shares of an equity security in payment for the sale of a Revenue Sharing Agreement. The original cost as determined by the trading price on the date of acquisition was \$400,000. The fair value of this security as of May 31, 2000 and May 31, 1999 was \$196,880 and \$68,000, respectively and the unrealized holding loss on this security was \$203,120 and \$332,000 as of May 31, 2000 and May 31, 1999, respectively.

NOTE 3- COMMITMENTS AND CONTINGENCIES

In June 1998, the Company entered into an agreement, with World Medical Match, a non-profit corporation, whose mission includes assisting the poor with funds to provide them access to medical matching opportunities. The agreement states that World Medical Match agrees to grant the Company \$50,000 for the purpose of paying for 200 U-Cord™ stem cell collection kits and the first year of cryogenic storage for the benefit of indigent expectant parents. Upon execution of the agreement the Company was granted \$25,000, which is classified as a deposit on the balance sheet. The Company is currently working with local medical practices, hospitals, and other medical industry organizations to implement this project.

As part of the September 1998 agreement between a consultant and the Company, the Company committed to issue 200,000 shares of the Company's restricted common stock in exchange for marketing services to be provided by the consultant and his team of sub-contractors. The original contract was for a five-year period and provides for the issuance of 10,000 shares of stock upon the signing of the agreement, 40,000 shares upon the implementation of the marketing program and 50,000 shares to be issued at various times during the contract period. In November 1999 the agreement was renegotiated with the 60,000 common shares previously issued representing payment in full.

In January 2000, the Company extended its marketing agreement with Lamaze Publishing Company to sponsor the Lamaze YOU AND YOUR BABY tutorial tape and full-page advertisements in the Lamaze Parent Magazine at a cost of \$213,362. The extended agreement commenced in April 2000. As of May 31, 2000, the Company paid \$109,762 and is recognizing this as a prepaid expense on the balance sheet. The prepaid expense is being prorated over the term of the contract and expensed accordingly. In July 1999, the Company was informed that Lamaze Publishing Company was acquired by iVillage, Inc., a leading on line women's network. The Company's agreements with Lamaze will remain intact, including the exclusivity provisions as the only cord blood preservation company on the Lamaze YOU AND YOUR BABY educational videotape through the year 2003.

On April 6, 2000, the Company signed an agreement to establish CRYO-CELL Europe. Under the terms of the agreement, the Company has licensed the marketing rights to Europe for the Company's U-Cord™ program. In return for the marketing rights and technology transfer the Company will receive \$1,400,000. As of May 31, 2000 the Company received \$200,000. The scheduled payments of the remaining \$1,200,000 commenced July 1, 2000 with the receipt of an additional \$200,000 payment. The remaining payments (\$1,000,000) are due in full by July 1, 2001. The Company will also receive an on-going percentage of the revenues generated from the European operations.

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2000
(UNAUDITED)

NOTE 4 - LEGAL PROCEEDINGS (CONT'D)

On or about July 11, 1996, CRYO-CELL filed suit in San Francisco Superior Court against the University of Arizona, Dr. David Harris and Cord Blood Registry, Inc. (CBR). The suit claimed breach of contract and other related business torts. After settlement discussions were unproductive, the University of Arizona counter-sued CRYO-CELL for breach of contract and negligent misrepresentation on March 27, 1997.

On July 20, 1998, as a result of the evidence, the jury awarded \$1,050,000 against Defendant University of Arizona. In addition, an award of \$120,000 was granted against the University of Arizona and David Harris, individually, for misappropriation of trade secrets. The court rejected three post-trial motions by the University of Arizona including a request to reduce the award or set aside the verdict.

On or about September 27, 1999 the Company accepted the University's offer of \$800,000 and settled the matter. On September 30, 1999, the Company received \$441,000 from the University of Arizona. The remaining balance of \$359,000 is being held in escrow, to satisfy a legal lien filed November 4, 1998 by the Company's previous attorneys, Horwitz and Beam. CRYO-CELL retained the services of Horwitz & Beam, a California law firm, to handle the above-described lawsuit including its allegations against CBR for interference in a legitimate contract between two parties and unfair business practices, among other claims. The court granted a summary judgment dismissal in favor of CBR. CRYO-CELL believes that Horwitz & Beam mishandled the CBR aspect of the case and certain aspects of its case against the University of Arizona. There is a dispute concerning the amount of fees owed by the Company to Horwitz & Beam.

On March 8, 1999, the Company, the Company's CEO and Chairman, the Company's Executive Vice President, and the Company's legal counsel were named as the defendants in a lawsuit filed in the Superior Court of Orange County, California by Horwitz & Beam, the attorneys which had represented CRYO-CELL in its suit against the University of Arizona et al. The plaintiff alleges breach of contract and seeks payment of \$129,822 in allegedly unpaid fees and costs associated with the University of Arizona litigation. The plaintiff also asserts claims of misrepresentation. In reference to these misrepresentation claims, plaintiff has filed a Statement of Damages, which asserts \$1,000,000 in general damages and \$3,500,000 in punitive damages.

The Company believes there is no merit to the suit and that none of the claimed \$129,822 in fees is due and owing under the contract. The Company believes that Horwitz & Beam brought this action and improperly sought punitive damages for the purpose of interfering with the Company's efforts to raise and maintain additional capital.

Accordingly, on June 14, 1999, the Company filed: (1) an answer denying all liability; (2) a counterclaim for breach of contract and malpractice, seeking in excess of \$1 million in compensatory damages arising from the malpractice; (3) a motion to dismiss the individual defendants for lack of jurisdiction; and (4) a motion to dismiss all punitive damages allegations against the Company.

On December 17, 1999, Judge Alicemarie H. Stotler of the United States District Court in the Central District of California, issued an Order in which she: (1) granted CRYO-CELL International, Inc.'s ("CRYO-CELL") Motion to Strike Punitive Damages and Dismiss Part of the Complaint; (2) granted Daniel Richard's, Mark Richard's and Gerald F. Maass' (the "Individual Defendants") Motion to Dismiss Complaint for Lack of Personal Jurisdiction; and (3) granted in part and denied in part Horwitz & Beam, Inc.'s ("H&B") Motion for Order Dismissing Counterclaim and/or Strike Portions Thereof.

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2000
(UNAUDITED)

NOTE 4 - LEGAL PROCEEDINGS (CONT'D)

The net effect of this order was to reframe the Complaint as a fee dispute, as opposed to a multi-million dollar claim for fraud against CRYO-CELL and its corporate officers. By its order, the Court has barred recovery in this action against the Individual Defendants, and has reduced CRYO-CELL's exposure from over \$3.5 million dollars to \$129,822, plus a possible award of attorneys' fees.

NOTE 5 CONVERTIBLE NOTES

In November 1998, the Company borrowed \$530,000 on eleven convertible promissory notes. The notes had a term of six months at which time the principal plus interest, at 8% per year was due. The promissory notes contained a conversion provision to the Company's restricted common stock at \$2.00 per share. In February 1999, the loan agreements were converted to 302,000 shares of the Company's common stock at a price of \$1.75 per share. The loan holders agreed to forego any accrued interest and any registration rights. All shares are subject to Rule 144.

In October 1998, the Company entered into a convertible note agreement borrowing \$10,000 from an investor. The note has a term of one year at which time the principal plus interest, at 20% per year, will be due. The note holder has the option to be paid in full for interest plus principal or to convert to the Company's common stock at \$2.00 per share. In October 1999, the note holder converted the promissory to 6,000 shares of the Company's restricted common stock. All shares are subject to Rule 144.

NOTE 6 STOCKHOLDERS' EQUITY

During the first and second quarters of fiscal 2000, the Company received \$2,414,600 from the exercise of options to purchase 827,250 shares of common stock. In February 2000, the Company received \$21,000 from the sale of 5,000 shares of its common stock.

The Company made payments for consulting services through the issuance of common stock. Consulting fees of \$64,632 were paid by the issuance of 8,484 common shares as of May 31, 2000.

NOTE 7 AGREEMENTS

ARIZONA

On February 9, 1999, the previous agreements with the Company's Arizona Revenue Sharing investors were modified and replaced by a Revenue Sharing Agreement for the state of Florida for a price of \$1,000,000. Under the terms of this agreement the Company credited the investors' previously paid \$450,000 toward the purchase of the Revenue Sharing Agreement. The balance of \$550,000 will be paid through their Revenue Sharing entitlements to their share of net storage revenues. The Revenue Sharing Agreement applies to net storage revenues originating from specimens from within the state of Florida. The Revenue Sharing Agreement entitles the investors to net revenues from a maximum of 33,000 storage spaces and cancels the investor's obligation to provide the Company with \$675,000 plus accrued interest under the prior Arizona agreement.

ILLINOIS

In 1996, the Company signed agreements with a group of investors entitling them to an on-going 50% share in the Company's portion of net storage revenues generated by specimens stored in the Illinois Masonic Medical Center. Since the Company will no longer be storing new specimens in Chicago, the

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2000
(UNAUDITED)

NOTE 7 AGREEMENTS (CONT'D)

agreements were modified in 1998 to entitle the investors to a 50% share of the Company's portion of net revenues relating to specimens originating in Illinois and its contiguous states and stored in Clearwater, Florida for a maximum of up to 33,000 spaces. The revenue generated by this Single Unit Revenue Sharing Agreement was \$1,000,000.

BIO-STOR

On February 26, 1999, the Company modified all previous agreements with Bio-Stor International, Inc. The modified agreement enters Bio-Stor into a Revenue Sharing Agreement for the state of New York. The Company will credit Bio-Stor's \$900,000 (previously paid) toward the purchase of 90% of New York. Bio-Stor will receive 90% of the 50% share in CRYO-CELL's portion of net storage revenues generated by the specimens originating from the Company's clients in the state of New York for up to 33,000 shared spaces. This agreement supersedes all other agreements between Bio-Stor International, Inc and the Company.

TENET HEALTHSYSTEM HOSPITALS, INC.

On November 30, 1996, the Company signed agreements with OrNda HealthCorp. Two "one-third" Revenue Sharing Agreements were purchased in which OrNda paid the Company \$666,666. OrNda was acquired by Tenet Healthcare Corporation, which agreed to be bound by the terms of the OrNda agreements. The agreements were renegotiated and the Company will store all Tenet originated specimens at its headquarter's lab in Clearwater, Florida while paying Tenet a revenue sharing entitlement.

NEW JERSEY

On November 30, 1999, the Company entered into agreements with two investors entitling them to on-going shares in a portion of CRYO-CELL's net storage revenue generated by specimens originating from within the state of New Jersey. Deposits totaling \$100,000 have been received and the remaining \$400,000 due in November 2000, is recorded as a receivable. When the Company receives the \$400,000 the investors will be entitled to a portion of net storage revenues generated to a maximum of 33,000 storage spaces.

SAGGI CAPITAL

In January 2000, the Company renewed its contract with Saggi Capital. The new agreement provides business consulting and investor relations services for the Company through January 2001.

WOMEN & INFANTS' HOSPITAL OF RHODE ISLAND

In June 1998, the Company signed an agreement with Women & Infants' Hospital of Rhode Island (nhospitali) for the establishment of a commercial placental/umbilical cord blood bank at their Providence, Rhode Island medical facility. The hospital will be offering its stem cell banking services to parents of approximately 9,000 babies who are born each year at this facility. Under the terms of the agreement the hospital will provide the space and utilities, liquid nitrogen supply, technician, etc. CRYO-CELL will be responsible for the billing activities. The storage revenues will be divided 75% to the Company and 25% to the hospital, while the hospital is entitled to 100% of the processing revenue. Additionally, if processing revenue is insufficient to cover the fixed costs of the cord blood bank, CRYO-CELL will be responsible to pay the shortfall. In order to cover the possible shortfall the hospital required \$50,000 to be placed in escrow.

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2000
(UNAUDITED)

NOTE 7 AGREEMENTS (CONT'D)

OTHER AGREEMENTS

On November 5, 1998 an agreement previously entered into by the Company with a private investor was revised. Per the terms of the original agreement, the investor had purchased 10% of a Revenue Sharing Agreement in the state of New Jersey. The new agreement has transferred the \$100,000 investment to the state of New York. Under the revised agreement the investor will receive 10% of the 50% share in CRYO-CELL's portion of net storage

revenues generated by the specimens originating from the Company's clients in the state of New York for up to 33,000 spaces.

UNIVERSITY OF SOUTH FLORIDA AT TAMPA

In February 2000, the Company, through its wholly owned subsidiary CCEL BIO-THERAPIES, Inc., entered into a research agreement with the University of South Florida at Tampa to collaborate on a technology for the potential treatment of a number of debilitating degenerative diseases. As of May 31, 2000, CCEL-BIO-THERAPIES has funded \$150,000 toward this research, with \$50,000 remaining in reserve. CCEL BIO-THERAPIES, Inc. and the University are co-assignees of a filed patent application covering this technology. The Company has been granted worldwide marketing rights for any product developed as a result of this research program and the University will receive standard royalty payments on any product sales.

NOTE 8 RECEIVABLE LITIGATION

On or about September 27, 1999 the Company accepted the University of Arizona's offer of \$800,000 to settle its litigation. In September 1999, the Company received \$441,000 from the University of Arizona leaving a balance of \$359,000 that is being held in escrow to satisfy a legal lien filed November 4, 1998 by the Company's previous attorneys, Horwitz and Beam. The Company reduced the award to \$510,178 and recognized this as gain on litigation. This reduction includes a 20% contingency fee (\$160,000) to the Company's previous attorneys and \$129,822 in contested legal fees that the Company feels are not due and owing under the contract (See Note 4). When the \$289,822 is netted against the \$359,000 held in escrow the result is a receivable balance of \$69,178. The Company has requested the release of the \$69,178 from escrow, which is the excess of 20% of the \$800,000 actual settlement amount. The overage is a result of the Company's settlement of the \$1,170,000 original jury award.

NOTE 9 INVESTMENT - OPTION TO PURCHASE

On September 23, 1999, the Company entered into a 20-year exclusive agreement with the Cancer Group Institute, LLC, the nation's premier cancer information service. Per the agreement The Cancer Group Institute, LLC received options to purchase 10,000 shares of the Company's common stock in return the Company has an option to purchase 100% of The Cancer Group Institute's common stock. The purchase price of The Cancer Group Institute, LLC will be between \$1,500,000 and \$2,000,000, depending on the date the Company acquires ownership. As of May 31, 2000, \$75,000 has been paid to The Cancer Group Institute, LLC.

NOTE 10 CORRECTION OF AN ERROR

The revenue in the original 10-QSB filing for the period ending May 31, 2000 was overstated by \$83,794 due to a posting error that occurred during the implementation of new accounting software.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

CRYO-CELL International, Inc. is a Delaware Corporation, incorporated on September 11, 1989. It is engaged in cryogenic cellular storage and the design and development of cellular storage devices. The Company's current focus is on the processing and preservation of umbilical cord (U-Cord(TM)) blood stem cells for autologous/sibling use. Having recently celebrated its 10-year anniversary, the Company believes that it is the oldest of all of the commercial companies currently specializing in separated umbilical cord blood stem cell storage. CRYO-CELL has pioneered several technologies that allow for the processing and storage of specimens in a cryogenic environment and presently, the Company's mission of affordability for U-Cord blood preservation remains in effect. These technologies include a process for the storage of fractionated (separated) U-Cord stem cells and the development and patenting of the first computer controlled, robotically operated cryogenic storage system. Its headquarters facility in Clearwater, FL handles all aspects of its business operations including the processing and storage of specimens in one site. Several other companies involved in commercial cell banking rely on shipping their specimens elsewhere for processing and storage.

It is the Company's mission to make expectant parents aware of the potential medical benefits from preserving stem cells, and to provide them the means and processes for collection and storage of these cells. Today, stem cell transplants are known and accepted treatments for a number of life-threatening diseases. With continued research in this area of medical technology, other avenues for their potential use and expansion are being explored. A vast majority of expectant parents are simply unaware that umbilical cord blood contains a rich supply of stem cells, and that it can be collected, processed and stored for the potential future use of the newborn and possibly related family members. A baby's stem cells will remain a perfect match for the baby throughout its life and have a 1-in-4 chance (or

better) of being a perfect match for a sibling. There is no assurance, however, that a perfect match could treat certain diseases. Today, it is still common for the cord blood (the blood remaining in the umbilical cord and placenta) to be discarded at the time of birth as medical waste. Obviously, the Company believes that no U-Cord specimen should be discarded when it could possibly save a life.

Given the potential benefits of U-Cord stem cell preservation, the number of stored specimens is still very small relative to the population and the approximately four million births per annum in the United States alone. Outside of lack of awareness, a critical reason for this low level of market penetration is the misperception of the high cost of the procedure and storage versus the relatively low incidence of use. However, evolving medical technology could significantly increase the utilization of the U-Cord blood for transplantation. A number of competitors in this market have been charging upwards of \$1000 - \$1500 for this procedure plus a fee for storage. The cost is usually not covered by insurance. The Company's strategy is to make this procedure affordable and within financial reach of most families. The growth and profitability of the Company will come from increases in specimen volume driven by its marketing approaches, resulting in an increasing base of annual renewal fees.

In June 1998, the Company signed an agreement with Women & Infants Hospital of Rhode Island for the establishment of a commercial placental/umbilical cord blood bank at their Providence, Rhode Island medical facility. Women & Infants Hospital currently has approximately 9,000 annual births and will be offering its stem cell banking services to the parents of these newborns. Women & Infants laboratory personnel have completed their training at the Company's state of the art facility in Clearwater, Florida; commencement of processing and storage at Women & Infants laboratory is expected to commence Summer 2000.

During 2000, all U-Cord™ blood processing and preservation will be done at the Company's facility with the exception of those specimens processed at Women & Infants Hospital in Providence, Rhode Island. It is anticipated that this shift in focus will limit the number of new LifespanSM Center implementations in the future.

During the period since its inception, the Company's research and development activities have principally involved the design and development of its cellular storage systems (CEEL Cellular Storage System) and in securing patents on the same.

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The Company's technology involves patented, multi-faceted cellular storage units and the technology for processing stem cells from umbilical cord blood. The Company believes that its long-term cellular storage unit will provide an improved ability to store cells or other material in liquid nitrogen, its vapors or other media. The unit is controlled by a computer system, which robotically inserts vials in pre-selected storage areas inside the chamber. Additionally, the stored material can be robotically inserted or retrieved by computer on an individual basis without all of the remaining specimens being exposed to ambient temperature. The efficient use of storage space and dual identification system for inventory control is a competitive advantage for the Company. The Company is the assignee of all patents on the units.

An independent manufacturer utilizing the Company's patented design currently assembles the unit. The Company has been advised by Underwriters Laboratories ("U/L") that it has passed all required inspections and the unit is now U/L listed. In order to affix the U/L label to all units that are deployed in the future, they must contain the same parts, operating capabilities and features as in the tested CEEL II model.

In July 1999, the Company was informed that the patent on the CEEL III computer controlled robotically operated cellular storage system has been granted. The CEEL III is designed to be multi-functional and to meet international manufacturing requirements. When completely developed the unit will be able to store approximately 30,000 specimens in 5ml vials. Moreover, as many as 8 million one inch vials could be preserved in approximately 250 square feet. The Company's attorneys are filing for patents in 17 European countries, including the United Kingdom, Germany, France, Italy, Ireland, the Benelux countries, plus Canada, Japan and others. The prototype is expected to be complete in the third quarter of 2000.

Another significant application for cellular storage is the storage of cancerous tumor tissue taken from a newly diagnosed patient prior to commencing treatment. This tissue could serve several functions in support of the treatment process. First, it may provide a vehicle for the doctor to test the effects of a proposed course of treatment on the diseased tissue prior to administering it to the patient. Secondly, the effects of a course of treatment could be monitored by comparing tumor cells gathered after the treatment to those stored prior to the commencement of treatment.

Sperm storage is another potential use of the Company's cellular storage systems. Male cancer patients of childbearing age can store sperm to protect their ability to have children in the event they are rendered impotent due to chemotherapy or radiation treatment. Women could also store gametes (eggs) for future use.

The following is a discussion and analysis of the financial condition and results of operations of the Company for the quarter ended May 31, 2000 as compared to the same period of the prior year.

GENERAL

To increase awareness of its services, the Company has invested in a variety of marketing programs designed to educate expectant parents and those medical caregivers to whom they turn to for advice.

The Company markets its preservation services by targeting expectant parents directly and by distributing information to obstetricians, pediatricians, Lamaze instructors, childbirth educators, certified nurse-midwives and other related healthcare professionals. In addition, the Company exhibits at conferences, trade shows and other media focusing on the expectant parent market. Of significant note is the increasing level of interest being generated by the Company's Web site, www.cryo-cell.com.

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CRYO-CELL has renewed its agreement with the Lamaze Publishing Company to sponsor the Lamaze YOU AND YOUR BABY tutorial tape. The agreement has been extended for three (3) years and calls for Lamaze to distribute the videotape to 1.8 million women in their third trimester of pregnancy. Over 90% of first time mothers and 45% of the pre-natal market avail themselves of the Lamaze Institute for Family Education proven instruction program. The tutorial tape, which is distributed by over 10,000 instructors, discusses the importance of cord blood storage and refers viewers to the full-page ad that the Company has placed in the Lamaze PARENTS Magazine, which is distributed to 2.4 million expectant mothers. During 2000, 600,000 YOU AND YOUR BABY CD's will be distributed through WAL-MART stores for the first time. The Company also places an ad in LAMAZE PARA PADRES, Lamaze Publishing's magazine for Hispanic mothers-to-be. The Company has exclusivity on the tutorial tape in the cord blood storage category and first right of refusal for renewal of the agreement beyond 2003.

In March 2000, the Company agreed to be a sponsor of the 2000 ACOG Meeting CD-ROM. The CD will include a segment on the Company's U-Cord™ program and will be distributed to approximately 40,000 ACOG (American College of Obstetricians and Gynecologists) members. The distribution is scheduled for late July 2000.

In June 1998, the Company entered into an agreement with International Broadcast Corporation (IBC). IBC was to produce a one-half hour infomercial relating to the Company's U-Cord stem cell processing and storage activities. IBC has since been acquired by 5th Avenue Channel Corp. In May 1999, the Company signed an AGREEMENT With 5th Avenue Channel Corp. Under the terms of the new agreement, the Company and 5th Avenue Channel Corp. will have an equal 50-50 partnership in a new corporation, the Newbirth Network, Inc. This new entity will offer important health information and products to expectant parents through 5th Avenue's television, Internet and mass marketing distributions. Upon calling 5th Avenue Channel's toll-free number, expectant parents can receive a videotape explaining the option they have for storing their newborn's cord blood stem cells. 5th Avenue Channel has committed to producing and distributing a minimum of one million tapes for a small shipping and handling charge.

In July 1999, the Company entered into a 20-year exclusive agreement with the Cancer Group Institute, LLC, the nation's premier cancer information service. Approximately 25,000 oncologists, radiologists and cancer patients daily access the Cancer Group's Web site, www.cancergroup.com. The multi-faceted agreement will initially focus on bringing expectant mothers who have a family history of cancer vital information about preserving their newborn's umbilical cord blood stem cells. Oncologists working with patients who are pregnant will be linked to the CRYO-CELL Web site to become more aware of the affordable alternative to having cord blood thrown away as waste material at birth. The Company will also be working with the Cancer Group to heighten the awareness of insurance companies, oncologists and cancer patients nationwide as to the importance of cord blood preservation for the family.

In September 1999, the Company was granted a Blood Bank license to operate in the state of New Jersey. The Company is now authorized to operate in all 50 states.

In January 2000, the Company entered into a strategic marketing alliance with DNA Dynamics, Inc. DNA Dynamics, a genetic resources company,

offers comprehensive DNA identification services for families, especially those with newborns. The alliance will allow the two companies to combine marketing efforts in areas such as Web site linkages, shared advertising, joint displays at trade shows as well as offering both DNA identification and cryogenic cellular storage services to their respective sales channels. Significant marketing synergies exist in reaching both expectant parents and medical professionals, especially OB/GYNs.

In February 2000, the Company, through its wholly owned subsidiary CCEL BIO-THERAPIES, Inc., entered into a research agreement with the University of South Florida at Tampa to collaborate on a technology for the potential treatment of a number of debilitating degenerative diseases. The research project is to be conducted at the University's laboratory facilities. In March 2000, the Company transferred \$200,000 to CCEL BIO-THERAPIES, Inc. to meet its funding commitment. CCEL BIO-THERAPIES, Inc. and the University are co-assignees of a filed patent application covering the

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technology. An application has been made for federal grants (SBIR and STTR research grants) on behalf of the Company and CCEL BIO-THERAPIES, Inc. In addition, an application is being filed for a State of Florida I-4 matching grant. If the grants are approved an additional \$100,000 per grant will be received, which would further research. The Company has been granted worldwide marketing rights for any product developed as a result of this research program. Under the terms of the agreement, the University will receive standard royalty payments on any product sales.

On April 6, 2000, the Company signed an agreement to establish CRYO-CELL Europe. Under the terms of the agreement, the Company has licensed the marketing rights to Europe for the Company's U-Cord™ program. In return for the marketing rights and technology transfer the Company will receive \$1,400,000. As of May 31, 2000 the Company received \$200,000. The scheduled payments of \$1,200,000 commenced July 1, 2000 with the receipt of an additional \$200,000 payment. The remaining payments (\$1,000,000) are due in full by July 1, 2001. The Company will also receive an on-going percentage of the revenues generated from the European operations.

In March 2000, the Company launched its Mother to Mother™ Network program to offer the Company's umbilical cord blood preservation program to expectant parents. The network is comprised of mothers who have stored their newborn's U-Cord blood stem cells with the Company. The mothers will be contacting expectant parents, OB/GYN's and medical caregivers advising them of the potentially life-saving service.

The Company has established a Medical & Scientific Advisory Board comprised of the more than 10 researchers, physicians and scientists from various fields such as oncology, stem cell research, hematology, genetic research, assisted reproduction and other specialties. Many of the Company's Advisory Board members are heads of departments and are committed to cellular storage as part of new services to improve patient care and saves lives.

During the quarter, the Company continued its program of marketing its Revenue Sharing Agreements. Under this arrangement the Company shares its storage revenues with investors who receive entitlements on storage spaces.

MANAGEMENT

At present there are 19 employees on the staff of the Company. Daniel D. Richard serves as the Chairman of the Board and Chief Executive Officer.

Daniel D. Richard, Chairman of the Board, President and Chief Executive Officer. Mr. Richard is the founder of the Company and co-inventor of the Company's technologies. He has served as Chairman of the Board since the Company's inception. In 1986, he was a co-founder and served as an initial officer and director of Marrow-Tech, Inc., a publicly traded company engaged in the field of cellular replication. Prior to that Mr. Richard was President of Daniel Richard Consultants, Inc. During that time frame his organization was responsible for setting up restaurant marketing programs in over forty cities.

Wanda D. Dearth, President and Chief Operating Officer. Ms Dearth joined the Company in June of 2000. Ms. Dearth joined the Company from kforce.com (formerly Romac International, Inc.) where she was Business Unit Vice President for the Nursing Division. Ms. Dearth has a history of over 15 years placing physicians and nurses throughout the U.S. She has over 20 years of marketing and operational experience with the majority of her career specializing in start-up operations. Ms. Dearth graduated from Miami University of Ohio with a B. S. in Business Administration.

Gerald F. Maass, Executive Vice President and General Manager. Mr. Maass joined the Company in March 1998. Mr. Maass joined the Company from Critikon, a subsidiary of Johnson & Johnson, where his most recent position was

International Director of Marketing for the Patient Monitoring business. Mr. Maass' ten-year tenure with Johnson and Johnson included several marketing and business development roles; he also served on the Critikon management committee. Prior to Johnson & Johnson, Mr. Maass was with Baxter Healthcare and Control Data Corporation in marketing, sales management, business

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development and business management roles. Mr. Maass began his career with Mayo Clinic in Rochester, MN and holds a degree in Medical Technology. In September 1998, Mr. Maass was appointed a member of the Company's Board of Directors.

Geoffrey J. O'Neill, Ph.D., Laboratory Director. Dr. O'Neill joined the company in April 1999 and has oversight of the Company's processing laboratory and storage facility. He has over 25 years experience in human hematopoietic progenitor cell therapy, including expertise in the processing, cryopreservation and storage of stem cells, flow cytometry analysis, HLA typing and CD34+ cell purification. Dr. O'Neill also has expertise in immunohematology and blood banking. A co-author of many publications, he has an undergraduate degree in microbiology and a Ph.D. in Immunology.

Robert E. Vago, C.Eng. P.Eng., M.I.Mech.E., Vice President, Product Development. Mr. Vago joined the Company in January 1997 and has technical oversight for the CCEL II, the Company's computer controlled and robotically served cryogenic cellular storage device. He is also responsible for the development of CRYO-CELL's next generation mass storage technology, the CCEL III. Mr. Vago is the sole inventor for 15 major U.S. Patent awards, including the recently awarded U.S. Patent for the CCEL III device (which patent has been assigned to the Company). Prior to joining CRYO-CELL, Mr. Vago was Corporate Vice President of R&D for the Arjo Group of North America, a medical device manufacturer.

Jill Taymans, Chief Financial Officer. Ms. Taymans joined the Company in April 1997 serving initially as Controller and was appointed CFO in May 1998. Ms. Taymans graduated from the University of Maryland in 1991 with a BS in Accounting. She has worked in the accounting industry for over nine years in both the public and private sectors. Prior to joining the company she served for three years as Controller for a telecommunications company in Baltimore, Maryland.

E. Thomas Deutsch, III, Chief Information Officer. Mr. Deutsch joined the Company in May 1996 and is a software and process engineer, specializing in healthcare information systems. He graduated from the University of North Carolina in Chapel Hill in 1986 with a Bachelor of Science degree in Mathematics. Prior to joining the Company in 1996, Mr. Deutsch worked for Shared Medical Systems in Malvern, PA, IBM in Atlanta, GA, and HBO and Company in Atlanta, GA. His responsibilities include developing, implementing and supporting the Company's communications and information systems, developing, implementing and supporting the Company's Internet plan and systems engineering for the patented CCEL II Cellular Storage System.

RESULTS OF OPERATIONS

REVENUES. Revenues for the six months ended May 31, 2000 were \$945,641 as compared to \$531,216 for the same period in 1999 representing a 78% increase. The increase in revenues reflects the significant growth in the processing and storage revenue associated with the Company's U-Cord-TM- stem cell program. The Company believes that the growth is a result of its investments in its various marketing programs, including its activities with Lamaze Publishing, and the increased traffic on its updated Web site www.CRYO-CELL.com. The upward sales trend has continued into the third quarter of fiscal 2000. The revenue in the original 10-QSB filing was inadvertently overstated due to a posting error with the implementation of a new accounting software system installed to handle the Company's growth. This error occurred during the transition period between accounting systems. The Company and the software dealer have taken necessary steps to assure this will not reoccur.

COST OF SALES. Cost of sales for the six months ended May 31, 2000 were \$383,403 as compared to \$231,438 in 1999. For the period ended May 31, 2000, \$24,741 of the total cost of sales represents the entitlements associated with the Revenue Sharing Agreements as compared to \$20,660 in 1999. The remaining cost of sales for the six months ended May 31, 2000 and 1999 represents the associated expenses resulting from the processing and testing of the U-CordTM specimens in the Company's own state of the art laboratory in Clearwater, Florida.

MARKETING, GENERAL AND ADMINISTRATIVE EXPENSES. Marketing, general and administrative expenses during the six months ended May 31, 2000 were \$1,230,024 as compared to \$1,030,000 in 1999. The increase reflects the expense of market development, client services associated with the Company's cellular storage program, continued product development, and the establishment of an expanded management team to handle the continuing growth.

RESEARCH, DEVELOPMENT AND RELATED ENGINEERING EXPENSES. Research, development and related engineering expenses for the six months ended May 31, 2000, were \$195,725 as compared to \$42,505 in 1999. For the period ended May 31, 2000, \$150,000 of the total research, development and related engineering expenses represents a payment from CCEL BIO-THERAPIES, Inc. to the University of South Florida at Tampa for the research project regarding the technology for the potential treatment of a number of debilitating degenerative diseases. The remaining \$45,725 represents the investment toward the conclusion of the Company's third generation cellular storage system.

LIQUIDITY AND CAPITAL RESOURCES

At May 31, 2000, the Company had cash and cash equivalents of \$3,119,917 as compared to \$123,072 at May 31, 1999. The increase in cash and cash equivalents was due primarily to the conclusion of a private placement equity financing during November 1999. The gross proceeds from this offering was \$1,100,000 through the sale of 250,000 shares of the Company's restricted common stock. During the first and second quarters of fiscal 2000, the Company received an additional \$2,414,600 from the exercise of options to purchase 827,250 shares of common stock.

To date, the Company's sources of cash have been from the sales of its U-Cord program to customers, the issuance of its own equities, the sale of Revenue Sharing Agreements, and the sale of subsidiary stock (prior to 1998). At May 31, 2000, the Company is virtually debt-free.

The Company anticipates that cash reserves, cash flows from operations and receivables from its agreements will be sufficient to fund its growth. Cash flows from operations will depend primarily on increasing revenues resulting from an extensive umbilical cord blood cellular storage marketing campaign. The Company's direct sales of its U-Cord™ cellular storage program have increased significantly due to the awareness being created through its activities with Lamaze Publishing, the Company's Web site and other forms of marketing exposure.

FORWARD LOOKING STATEMENTS

In addition to historical information, this report contains forward-looking statements within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the section entitled "Management's Discussion and Analysis or Plan of Operation." Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. CRYO-CELL International, Inc. (the "Company") undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Readers should carefully review the risk factors described in other documents the Company files from time to time with the Securities and Exchange Commission, including the most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q to be filed by the Company in 1999 and any Current Reports on Form 8-K filed by the Company.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

- I. In December 1992, CRYO-CELL entered into an exclusive agreement with the University of Arizona to develop and enhance a commercial (paid for) cord blood stem cell bank. Prior to this agreement the University of Arizona had not commenced storing any cord blood specimens. CRYO-CELL provided the means for the University to obtain approximately 1400 paying clients. Prior to the termination of the exclusive agreement, which CRYO-CELL alleges was unwarranted the University breached its contract with CRYO-CELL and entered into an Agreement with Cord Blood Registry, Inc. (CBR).

On or about July 11, 1996, CRYO-CELL filed suit in San Francisco Superior Court against the University of Arizona, Dr. David Harris and Cord Blood Registry, Inc. The suit claimed breach of contract and other related business torts. Months later, after settlement discussions were unproductive, the University of Arizona counter-sued CRYO-CELL for breach of contract and negligent misrepresentation.

On July 20, 1998, as a result of the evidence, the jury awarded \$1,050,000 against Defendant University of Arizona. In addition, an

award of \$120,000 was granted against the University of Arizona and David Harris, individually, for misappropriation of trade secrets. The jury voted unanimously against the University and in favor of CRYO-CELL as to the counter claims. The court rejected three post-trial motions by the University of Arizona including a request to reduce the award or set aside the verdict.

On or about September 27, 1999 the Company accepted the University's offer of \$800,000 and settled the matter. On September 30, 1999, the Company received \$441,000 from the University of Arizona. The remaining balance of \$359,000 is being held in escrow, to satisfy a legal lien filed November 4, 1998 by the Company's previous attorneys, Horwitz and Beam. The Company disputes their position and has countersued Horwitz and Beam for malpractice and is seeking \$1,000,000 in compensatory damages and an unspecified amount of punitive damages deemed appropriate by the court.

II. CRYO-CELL retained the services of Horwitz & Beam, a California law firm, to handle the above described lawsuit including its allegations against CBR for interference in a legitimate contract between two parties and unfair business practices, among other claims. The court granted a summary judgment dismissal in favor of CBR. CRYO-CELL believes that Horwitz & Beam mishandled the CBR aspect of the case and certain aspects of its case against the University of Arizona. There is a dispute as to whether Horwitz and Beam is entitled to the fees of \$129,822 they claim is owed by the Company.

On March 8, 1999, the Company, the Company's CEO and Chairman, the Company's Executive Vice President, and the Company's legal counsel were named as the defendants in a lawsuit filed in the Superior Court of Orange County, California by Horwitz & Beam, the attorneys which had represented CRYO-CELL in its suit against the University of Arizona et al. The plaintiff alleges breach of contract and seeks payment of \$129,822 in allegedly unpaid fees and costs associated with the University of Arizona litigation. The plaintiff also asserts claims of misrepresentation. In reference to these misrepresentation claims, plaintiff has filed a Statement of Damages, which asserts \$1,000,000 in general damages and \$3,500,000 in punitive damages.

Accordingly, on June 14, 1999, the Company filed: (1) an answer denying all liability; (2) a counterclaim for breach of contract and malpractice, seeking in excess of \$1 million in compensatory damages arising from the malpractice; (3) a motion to dismiss the individual defendants for lack of jurisdiction; and (4) a motion to dismiss all punitive damages allegations against the Company.

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Recent Event - Judge's Ruling

On December 17, 1999, Judge Alicemarie H. Stotler of the United States District Court in the Central District of California, issued an Order in which she: (1) granted CRYO-CELL International, Inc.'s ("CRYO-CELL") Motion to Strike Punitive Damages and Dismiss Part of the Complaint; (2) granted Daniel Richard's, Mark Richard's and Gerald F. Maass' (the "Individual Defendants") Motion to Dismiss Complaint for Lack of Personal Jurisdiction; and (3) granted in part and denied in part Horwitz & Beam, Inc.'s ("H&B") Motion for Order Dismissing Counterclaim and/or Strike Portions Thereof. As discussed in more detail below, the net effect of this order was to reframe the Complaint as a fee dispute, as opposed to a multi-million dollar claim for fraud against CRYO-CELL and its corporate officers. By its order, the Court has barred recovery in this action against the Individual Defendants, and has reduced CRYO-CELL's exposure from over \$3.5 million dollars to \$129,822, plus a possible award of attorneys' fees.

By granting CRYO-CELL's Motion to Strike Punitive Damages and Dismiss Part of the Complaint, the Court dismissed H&B's Fourth Claim for Relief for intentional misrepresentation, i.e., fraud, against CRYO-CELL and the Individual Defendants. The Court held that the promises purportedly made to H&B concerning the opening of an "escrow," even if not ultimately fulfilled, were not fraudulent. In fact, the Court said that "although the Individual Defendants clearly made representations that an 'escrow' would be established, their not having done so, in light of uncertainties of the future course of litigation and their misgivings of plaintiff's performance, suggests nothing more than a negotiation of payment terms."

The Court granted CRYO-CELL's Motion to Strike Punitive Damages Claims with respect to H&B's Fifth Claim for Relief because such damages are not available in connection with negligence claims. Having dismissed the Fourth Claim for Relief for Fraud, H&B's motion to strike the punitive damages claimed in connection therewith was rendered moot.

The Court granted the Individual Defendants' Motion to Dismiss for Lack of Personal Jurisdiction, holding that the fiduciary shield doctrine insulates them from the Court's exercise of personal jurisdiction. The fraud-based exception to this doctrine does not apply in that H&B's fraud claim was dismissed.

In granting H&B's Motion for Order to Strike Portions of CRYO-CELL's Counterclaim, the Court held that the facts pleaded with respect to H&B's concealment of the loss of its claims against Cord Blood Registry could not support a claim for punitive damages. Accordingly, the punitive damages claim was dismissed. If, through discovery, we identify additional facts concerning the concealment and the threats such that we are able to plead with more particularity to satisfy the judge, we can consider seeking leave of court to amend the Counterclaim to reinstate our claim for punitive damages. In addition, the Court held that because the Retainer Agreement between the parties did not contemplate an award of attorneys' fees in the event that CRYO-CELL sues for legal malpractice, CRYO-CELL cannot seek attorneys' fees.

Finally, the Court denied H&B's motion to strike the purportedly disparaging comments in the Counterclaim concerning H&B's conduct of the underlying litigation because H&B failed to make a showing sufficient to establish that the remarks were scandalous, impertinent or immaterial.

CRYO-CELL has established an escrow in the amount of \$359,000 to cover the disputed legal fees (\$129,822) and the 20% recovery of the Judgement against the University of Arizona and David Harris. The Company has requested the release of \$69,178 from escrow, which is the excess of 20% of the \$800,000 actual settlement amount. The overage is a result of CRYO-CELL's settlement of the \$1,170,000 original jury award.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

3.1	Certificate of Incorporation(1)
3.11	Amendment to Certificate of Incorporation(1)
3.2	By-Laws(1)
3.21	Board Minutes to Amendment of By-Laws(1)
10.11	Agreement with InstaCool of North America, Inc.(2)
10.12	Agreement with the University of Arizona(2)
10.13	Agreement with Illinois Masonic Medical Center(4)
10.14	Agreement with Bio-Stor(4)
10.15	Agreement with Gamida-MedEquip(4)
10.16	Agreement with ORNDA HealthCorp (Tenet HealthSystem Hospitals, Inc.)(4)
10.17	Convertible Note from Net/Tech International, Inc. Dated November 30, 1995(3)
10.18	Amended Agreement with Bio-Stor(5)
10.19	Agreement with Dublind Partners, Inc.(6)
10.20	Agreement with Medical Marketing Network, Inc.(6)
21	List of Subsidiaries(3)
27	Financial Data Schedule

- (1) Incorporated by reference to the Company's Registration Statement on Form S-1 (No. 33-34360).
- (2) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1994.
- (3) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1995.
- (4) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1996.
- (5) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1997.
- (6) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1998.
- (7) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended November 30, 1999.

(b) Reports on Form 8-K.

- (1) Form 8-K filed September 12, 1997 - Resignation of William C. Hardy as President, Chief Operating Officer and member of the Board. Resignation of Leonard Green from the Board of Directors.
- (2) Form 8-K filed November 18, 1997 - Company filed a multi-count lawsuit in the United States District Court, Northern District of New York claiming that Stainless Design Corporation of Saugerties, New York breached its contract.
- (3) Form 8-K filed February 16, 2000 - The judge Issued an

order in which she (1) granted the Company's motion to strike punitive damages and dismiss part of the complaint, (2) granted Daniel Richard's, Mark Richard's and Gerald Maass' motion to dismiss complaint for lack of personal jurisdiction, and (3) granted In part and denied In part Horwitz & Beam, Inc.'s motion to for order dismissing counterclaim and/or strike portions thereof.

- (4) Form 8-K filed June 6, 2000 - Appointment of Wanda D. Dearth as President and Chief Operating Officer.

Supplemental Information to be furnished with reports filed pursuant to Section 15(d).

- (c) No annual reports or proxy material have been sent to security holders for the current fiscal year. Copies of any such report or proxy material so furnished to security holders subsequent to the filing of the annual report on this form will be furnished to the Commission when sent to security holders.

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SIGNATURES

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 thereunto duly authorized.

CRYO-CELL INTERNATIONAL, INC.

/s/ DANIEL D. RICHARD

Daniel D. Richard
Chief Executive Officer

Date: September 13, 2000

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