

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

FORM 10-QSB

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934.
For the quarterly period ended August 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 August 31, 2000,
10,089,189 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>

	August 31,	November
	2000	1999
	-----	-----
30,		

<S>	<C>	<C>
Current Assets		
Cash and cash equivalents	\$ 3,318,689	\$
1,555,190		
Accounts receivable and advances (net of allowance for doubtful accounts of \$14,688)	134,497	
57,548		
Receivable - Litigation	69,178	
69,178		
Receivable - Revenue Sharing Agreement	400,000	
450,000		
Receivable - CRYO-CELL Europe	600,000	
-		
Receivable - Insurance Claim	62,631	
-		
Marketable securities	288,315	
109,407		
Refundable income taxes	790	
890		
Prepaid expenses and other current assets	228,053	
200,266		

Total current assets	5,102,153	
2,442,479		

Property and Equipment	2,998,930	
2,719,804		

Other Assets		
Intangible assets (net of amortization of \$83,560 and \$65,864, respectively)	72,030	
66,095		
Marketable securities	294,235	
219,383		
Investment option to purchase	100,000	
-		
Deposits with vendors and others	29,195	
82,681		

Total other assets	495,460	
368,159		

	\$ 8,596,543	\$
5,530,442		
=====		

LIABILITIES AND STOCKHOLDERS' EQUITY

	August 31,	November
	2000	1999
	-----	-----
30,		

Current Liabilities		
Accounts payable	\$ 73,668	\$
35,689		
Accrued expenses and withholdings	144,813	
167,189		
Unearned revenue - CRYO-CELL Europe	1,000,000	
-		

Current portion of obligations under capital leases	6,556	
7,604		
-----	-----	-----
Total current liabilities	1,225,037	
210,482		
-----	-----	-----
Other Liabilities		
Unearned revenue	284,296	
145,535		
Deposits	30,500	
124,550		
Obligations under capital leases-net of current portion	13,001	
17,652		
-----	-----	-----
Total other liabilities	327,797	
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; 10,089,189 at August 31, 2000 and 9,193,155		
at November 30, 1999 issued and outstanding)	100,892	
91,932		
Additional paid-in capital	15,041,350	
12,351,688		
Net realized gain (loss) on marketable securities	180,050	
(71,210)		
Accumulated deficit	(8,278,583)	
(7,340,187)		
-----	-----	-----
Total stockholders' equity	7,043,709	
5,032,223		
-----	-----	-----
	\$ 8,596,543	\$
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		Nine Months Ended	
	August 31,	August 31,	August 31,	August
	2000	1999	2000	
	-----	-----	-----	-----
31,				
1999				
-----	-----	-----	-----	-----
Revenue	\$ 554,628	\$ 330,824	\$ 1,500,269	\$
862,040				
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Costs and Expenses:				
Cost of sales	258,562	133,441	641,890	
364,879				
Marketing, general & administrative expenses	739,179	951,775	1,969,202	
1,981,775				
Research, development and related engineering	94,760	20,206	290,485	
62,711				
Depreciation and amortization	27,289	28,580	81,838	
85,741				
-----	-----	-----	-----	-----

2,495,106	Total cost and expenses	1,119,789	1,134,002	2,983,415	-----
-----					-----
Operating Loss (1,633,066)		(565,162)	(803,178)	(1,483,146)	-----
-----					-----
Other Income and (Expense):					
Interest Income 1,176		42,810	1,176	84,142	
Interest Expense (2,546)		(778)	(375)	(2,023)	
Other Income -		200,000	-	400,000	
Settlement on Litigation 341,000		62,631	459,000	62,631	
339,630	Total other income	304,663	459,801	544,750	-----
-----					-----
Net Loss (1,293,436)		\$ (260,499)	\$ (343,377)	\$ (938,396)	\$
=====		=====	=====	=====	
Net Loss Per Share (\$0.16)		(\$0.03)	(\$0.04)	(\$0.10)	
=====		=====	=====	=====	
Number of Shares Used In Computation 8,207,458		10,072,120	8,728,129	9,757,789	
=====		=====	=====	=====	

</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>

	Nine Months Ended	
	August 31,	August 31,
	1999	2000
	(unaudited)	(unaudited)
	-----	-----
Cash Flows from Operating Activities	<C>	<C>
Net Loss (834,811)	\$ (938,396)	\$
Adjustments to reconcile net loss to cash used for operating activities:		
Depreciation and amortization 85,741	102,011	
Issuance of common stock for interest and services rendered 451,476	201,273	
Changes in assets and liabilities:		
Accounts receivable (12,403)	(76,949)	
Receivable - Revenue Sharing Agreement	50,000	-
Receivable - CCEL Europe	(600,000)	
Receivable - Insurance Claim	(62,631)	
Receivable - Litigation (510,178)	-	
Prepaid expenses and other current assets (155,002)	(27,787)	
Deposits	-	

-	Accounts payable	37,982	
31,313	Accrued expenses	(22,376)	
(154,283)	Refundable income taxes payable	100	
8,078	Unearned revenue - CRYO-CELL Europe	1,000,000	
146,639	Unearned revenue and deposits	98,197	
		-----	-----
	Net cash used for operating activities	(238,576)	
(943,430)		-----	-----
	Cash flows from investing activities:		
	Investment -option to purchase	(100,000)	
-	Purchases of securities	(2,500)	
-	Purchases of property and equipment	(363,447)	
(84,260)	Payments for intangible assets	(23,630)	
-		-----	-----
	Net cash provided by (used for) investing activities	\$ (489,577)	\$
(84,260)		-----	-----
	Cash flows from financing activities		
	Proceeds from the sale of securities	21,000	
1,215,208	Proceeds (repayment) of short term borrowings	-	
(550,000)	Exercise of stock options	2,476,351	
-	Repayment of capital leases	(5,699)	
(3,776)		-----	-----
	Net cash provided by financing activities:	2,491,652	
661,432		-----	-----
	Increase (decrease) in cash and cash equivalents	1,763,499	
(366,258)			
	Beginning of period	1,555,190	
499,696		-----	-----
	End of period	3,318,689	
133,438		=====	
	Supplemental disclosure of cash flow information:		
	Interest	\$ 2,023	\$
2,921		-----	-----
	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.

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

NOTE 1 - FINANCIAL STATEMENTS

The Consolidated Financial Statements including the Consolidated Balance Sheet as of August 31, 2000 and November 30, 1999, Consolidated Statements of Operations for the three and nine months ended August 31, 2000 and August 31, 1999, and Consolidated Statement of Cash Flows for the nine months ended August 31, 2000 and August 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 August 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

RETURN ON INVESTMENT CORPORATION

In August 2000 Return on Investment Corporation (ROI Corporation) merged into Net/Tech International, Inc. (NTTI) and NTTI's name changed to ROI Corporation. ROI Corporation now trades as ROIE. ROIE exchanged one share of common stock for twenty shares of NTTI common stock reducing the Company's holdings to 77,886 shares of ROIE common stock.

In November 1998 the Company's ownership percentage in 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 ROIE and NTTI stocks are 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 ROIE 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 \$389,430 and \$295,965 to reflect the fair market value of the investment as of August 31, 2000 and August 31, 1999, respectively.

CRYO-CELL INTERNATIONAL, INC.
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 AUGUST 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 August 31, 2000 and August 31, 1999 was \$190,620 and \$40,620, respectively and the unrealized holding loss on this security was \$209,380 and \$359,380 as of August 31, 2000 and August 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 August 31, 2000, the Company paid \$154,162 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 August 31, 2000 the Company has received \$800,000 per the contract schedule. The remaining payments (\$600,000) are due in full by July 1, 2001 but will likely be paid by November 2000. 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
AUGUST 31, 2000
(UNAUDITED)

NOTE 3- COMMITMENTS AND CONTINGENCIES

On September 19, 2000, the Company purchased an equity position of approximately six percent (6%) in CRYO-CELL Europe for \$1,000,000. A \$500,000 payment was made upon signing of the agreement and an additional \$500,000 will be paid on November 30, 2000 subject to the receipt of the remaining \$600,000 due under the terms of the original agreement. The equity position is in addition to the receipt of the entitlements from processing fees and a minimum of 18% of the annual fees from all expectant parents who preserve their newborn's U-Cord™ blood with CRYO-CELL Europe.

In August 2000, the Company signed a three-year contract with babygear.com, the leading baby products, eCommerce retailer. Babygear.com will market the Company's U-Cord™ preservation services through its Web site. An article featuring the potential medical benefits of U-Cord™ preservation will appear on ibaby.com and babygear.com Web sites with a direct link to the Company's Web site. Under the terms of the agreement, the Company will distribute babygear.com certificates and offers to clients.

In August 2000, the Company signed a marketing agreement with iVillage.com, the leading women's network online at a cost of \$42,500. Under the terms of the agreement, iVillage.com will direct millions of women who access the iVillage Web site to the Company, as well as, develop banners on both its Parent Place and Parent Soup Web sites. In addition, information detailing the benefits of preserving cord blood stem cells will appear in Lamaze.com and allHealth along with newsletters to iVillage members. As of August 31, 2000, the Company paid \$12,500 and is recognizing this as a prepaid expense on the balance sheet.

NOTE 4 - LEGAL PROCEEDINGS

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 alleged 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 asserted claims of misrepresentation.

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

NOTE 4 - LEGAL PROCEEDINGS (CONT'D)

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.

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 the Company'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

As of August 31, 2000, the Company has received \$2,476,351 from the exercise of options to purchase 857,000 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 \$201,273 were paid by the issuance of 34,034 common shares as of August 31, 2000.

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

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 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.

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

NOTE 7 AGREEMENTS (CONT'D)

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 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, the Company will be responsible to pay the shortfall. In order to cover the possible shortfall the hospital required \$50,000 to be placed in escrow.

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 August 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.

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

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.

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 August 31, 2000, \$100,000 has been paid to The Cancer Group Institute, LLC.

NOTE 10 RECEIVABLE - INSURANCE CLAIM

As a result of the dismissal of the claim for fraud against the Company and its corporate officers (See Note 4), the Company was able to recover a portion of its legal fees. Under the terms of the Company's directors and officers insurance policy, the Company is to receive \$62,631.38 as reimbursement of legal fees. In October 2000, the Company received \$62,631.38.

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 celebrated its 10-year anniversary in November 1999, 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

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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.

During 2000, all U-Cord™ blood processing and preservation will be done at the Company's facility with the possible 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 Lifespan™ 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 (CCEL Cellular Storage System) and in securing patents on the same.

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 CCEL II model. In July 1999, the Company was informed that the patent on the CCEL III computer controlled robotically operated cellular storage system has been granted. 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 following is a discussion and analysis of the financial condition and results of operations of the Company for the quarter ended August 31, 2000 as compared to the same period of the prior year.

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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.

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 became 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 October/November 2000. The Company believes it is the only cord blood preservation firm featured on the CD-ROM.

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 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

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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 technology. An application has been made for federal grants (SBIR and STTR research grants) on behalf of the Company and CCEL BIO-THERAPIES, Inc. If the grants are approved an additional \$100,000 per grant will be received, which would further research. In addition, the application for a State of Florida I-4 matching grant has been approved for \$100,000, which will be used for 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 August 31, 2000 the Company received \$800,000 per the contract schedule. The remaining payments (\$600,000) are due in full by July 1, 2001 but will likely be paid by November 2000. The Company will also receive an on-going percentage of the revenues generated from the European operations.

On September 19, 2000, the Company purchased an equity position of approximately six percent (6%) in CRYO-CELL Europe for \$1,000,000. A \$500,000 payment was made upon signing of the agreement and an additional \$500,000 will be paid on November 30, 2000 subject to the receipt of the \$600,000 due. The equity position is in addition to the receipt of the entitlements from processing fees and a minimum of 18% of the annual fees from all expectant parents who preserve their newborn's U-Cord™ blood with CRYO-CELL Europe.

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.

In August 2000, the Company signed a three-year contract with

babygear.com, the leading baby products, eCommerce retailer. Babygear.com will market the Company's U-Cord™ preservation services through its Web site. An article featuring the potential medical benefits of U-Cord™ preservation will appear on ibaby.com and babygear.com Web sites with a direct link to the Company's Web site. Under the terms of the agreement, the Company will distribute babygear.com certificates and offers to clients.

In August 2000, the Company signed a marketing agreement with iVillage.com, the leading women's network online at a cost of \$42,500. Under the terms of the agreement, iVillage.com will expose millions of women who access the iVillage Web site to the Company, as well as, develop banners on both its Parent Place and Parent Soup Web sites. In addition, information detailing the benefits of preserving cord blood stem cells will appear in Lamaze.com and allHealth along with newsletters to iVillage members. As of August 31, 2000, the Company paid \$12,500 and is recognizing this as a prepaid expense on the balance sheet.

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.

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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 25 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, 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. In October 2000, Ms. Dearth was appointed a member of the Company's Board of Directors.

Gerald F. Maass, Executive Vice President. 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 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.

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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 nine months ended August 31, 2000 were \$1,500,269 as compared to \$862,040 for the same period in 1999 representing a 73% increase. The increase in revenues reflects the significant growth in the processing and storage revenue associated with the Company's U-Cord™ 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 fourth quarter of fiscal 2000.

COST OF SALES. Cost of sales for the nine months ended August 31, 2000 were \$641,890 as compared to \$364,879 in 1999. The cost of sales for the nine months ended August 31, 2000 and 1999 represents the associated expenses resulting from increased volume of the processing and testing of the U-Cord™ 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 nine months ended August 31, 2000 were \$1,970,163 as compared to \$1,981,775 in 1999. These expenses represent the continuing market development and clinical 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. Along with an expanded management team the Company has increased its marketing staff with the placement of representatives in different regions of the United States. The Company has also developed a clinical support team of specially trained Registered Nurses available 24 hours a day, 7 days a week to answer questions regarding cord blood preservation.

RESEARCH, DEVELOPMENT AND RELATED ENGINEERING EXPENSES. Research, development and related engineering expenses for the nine months ended August 31, 2000, were \$290,485 as compared to \$62,711 in 1999. For the period ended August 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 \$140,485 represents the investment toward the conclusion of the Company's third generation cellular storage system.

LIQUIDITY AND CAPITAL RESOURCES

At August 31, 2000, the Company had cash and cash equivalents of \$3,318,123 as compared to \$133,738 at August 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 fiscal 2000, the Company received an additional \$2,476,351 from the exercise of options to purchase 857,000 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 August 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 alleged 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 asserted claims of misrepresentation.

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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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. 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.

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.

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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 therof.
- (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: October 13, 2000

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<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	2,023
<INCOME-PRETAX>	0
<INCOME-TAX>	0
<INCOME-CONTINUING>	0
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(938,396)
<EPS-BASIC>	(.10)
<EPS-DILUTED>	0

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