

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 May 31, 1998
- 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 5, CLEARWATER, FLORIDA 33761

(Address of Principal Executive Offices)

(Zip Code)

Issuer's phone number, including area code: (813) 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, 1998, 7,244,927 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

	MAY 31, 1998 (UNAUDITED) -----	NOVEMBER 30, 1997 -----
CURRENT ASSETS		
Cash and cash equivalents	\$ 133,133	\$ 814,156
Receivables and advances (net of allowance for doubtful accounts of \$4,338)	109,043	62,637
Marketable securities	200,000	225,000
Inventory	651	--
Refundable income taxes	18,108	21,338
Loan origination fees, net	10,678	44,116
Prepaid expenses and other current assets	27,651	57,676
	-----	-----
Total current assets	499,264	1,224,923
	-----	-----
PROPERTY AND EQUIPMENT		
Property and equipment, net	2,554,177	2,466,152
	-----	-----
OTHER ASSETS		
Intangible assets (net of amortization of \$38,037 and \$35,696, respectively)	68,299	68,512
Deposits with vendors and others	176,072	28,788
Investment in unconsolidated affiliate	130,541	191,698
	-----	-----
Total other assets	374,912	288,998
	-----	-----
Total Assets	\$3,428,353	\$3,980,073
	=====	=====

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 BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	MAY 31, 1998 (UNAUDITED) -----	NOVEMBER 30, 1997 -----
CURRENT LIABILITIES		
Accounts payable	\$ 276,808	\$ 289,159
Accrued expenses and withholdings	136,395	104,194
Short term borrowings	550,000	500,000
Current portion of obligations under capital leases	1,173	2,350
	-----	-----
Total current liabilities	964,376	895,703
	-----	-----
OTHER LIABILITIES		
Unearned revenue and deposits	52,373	8,708
Obligations under capital leases-net of current portion	5,187	4,542
	-----	-----

Total other liabilities	57,560	13,250
	-----	-----
STOCKHOLDERS' EQUITY		
Preferred stock (500,000 \$.01 par value authorized; 0 issued and outstanding)	--	--
Common stock (15,000,000 \$.01 par value common shares authorized; 7,244,927 at May 31, 1998 and 7,186,501 at November 30, 1997 issued and outstanding)	72,449	71,865
Additional paid-in capital	8,088,299	7,702,791
Unrealized losses on marketable securities	(200,000)	(175,000)
Accumulated deficit	(5,554,331)	(4,528,536)
	-----	-----
Total stockholders' equity	2,406,417	3,071,120
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$3,428,353	\$3,980,073
	=====	=====

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, 1998	MAY 31, 1997	MAY 31, 1998	MAY 31, 1997
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Revenue	\$ 52,300	\$ 5,350	88,475	410,150
	-----	-----	-----	-----
COSTS AND EXPENSES:				
Cost of sales	14,454	--	24,483	--
Marketing, general & administrative expenses	519,237	409,360	919,959	852,037
Research, development and related engineering	60,762	20,464	109,816	50,154
Depreciation and amortization	40,000	13,338	80,000	26,676
	-----	-----	-----	-----
Total Cost and Expenses	634,453	443,162	1,134,258	928,867
	-----	-----	-----	-----
OPERATING PROFIT (LOSS)	(582,152)	(437,812)	(1,045,783)	(518,717)
	-----	-----	-----	-----
OTHER INCOME AND (EXPENSE):				
Interest income	3,409	13,803	10,108	30,734
Interest (Expense)	(13,716)	--	(24,754)	--
Gain on sale of unconsolidated affiliate's stock	186,479	162,250	255,098	162,250
	-----	-----	-----	-----
Total Other Income	176,172	176,053	240,453	192,984
	-----	-----	-----	-----
Income (Loss) before equity in net loss of unconsolidated affiliate and provision for income taxes	(405,981)	(261,759)	(805,330)	(325,733)
Provision for income taxes	--	0	--	--
Equity in net loss of unconsolidated affiliate	112,298	56,284	220,392	76,332
	-----	-----	-----	-----
NET INCOME (LOSS)	(\$ 518,279)	(\$ 318,043)	(\$1,025,722)	(\$ 402,065)
	=====	=====	=====	=====
NET INCOME (LOSS) PER SHARE	(\$ 0.07)	(\$ 0.04)	(\$ 0.14)	(\$ 0.06)
	=====	=====	=====	=====

Number of Shares Used In Computation	7,242,086	7,156,866	7,221,192	7,154,452
	=====	=====	=====	=====

</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 STATEMENT OF CASH FLOWS

	SIX MONTHS ENDED	
	MAY 31, 1998 (UNAUDITED)	MAY 31, 1997 (UNAUDITED)
	-----	-----
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (822,901)	\$ 249,058
NET CASH USED FOR INVESTING ACTIVITIES	(112,589)	(587,746)
NET CASH PROVIDED BY FINANCING ACTIVITIES:	254,467	570,696
	-----	-----
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(681,023)	232,008
CASH AND CASH EQUIVALENTS:		
Beginning of year	814,156	1,079,531
	-----	-----
End of period	\$ 133,133	\$ 1,311,539
	=====	=====

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

CASH PAID DURING THE YEAR FOR:

Interest	\$ 24,754	\$ --
	-----	-----
Income taxes	\$ --	\$ --
	-----	-----

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

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 1998
(UNAUDITED)

NOTE 1 - FINANCIAL STATEMENTS

The Consolidated Financial Statements including the Consolidated Balance Sheet as of May 31, 1998, Consolidated Statements of Operations for the six months ended May 31, 1998 and Consolidated Statement of Cash Flows for the six months ended May 31, 1998 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, 1998 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, 1997 Annual Report on Form 10-KSB.

NOTE 2 - INVESTMENT EQUITY IN UNCONSOLIDATED AFFILIATE , SALE OF STOCK

In April 1998, the Company received \$186,607 from the sale of 68,000 shares of Net/Tech International, Inc. common stock. This sale brought the Company's remaining holdings of Net/Tech stock to 1,797,711 shares. Under the

equity method of accounting, these shares are valued on CRYO-CELL's balance sheet at \$130,541 as of May 31, 1998. If these same shares were valued at the closing market price of Net/Tech's stock on May 31, 1998, the market capitalization of CRYO-CELL's holdings would be \$5,056,062.

NOTE 3 - LINE OF CREDIT

In August 1997, the Company entered into a one year line of credit agreement with NationsBank, N.A. ("the Bank") whereby the Bank will lend up to \$1,000,000. As part of the agreement, the Bank received a \$10,000 commitment fee and collateral of 250,000 shares of Net/Tech International, Inc. common stock owned by the Company and a pledge of 350,000 shares of the Company stock owned by a group of the Company's shareholders. At May 31, 1998 direct borrowings under this agreement were \$550,000. Terms of the loan require interest to be paid monthly at the Bank's prime lending rate plus 1%. The agreement expires on July 31, 1998 at which time the Company will refinance the loan. The agreement contains several covenants relating to working capital and net worth which the Company is not in compliance with as of May 31, 1998 thus allowing the Bank to ask for current repayment. The fair market value of the collateral as of May 31, 1998, was in excess of \$1,500,000. As the value of the collateral decreased because of the stock prices, it has been insufficient to meet the margin call. The Company has agreed, if necessary, to increase collateral or we stand ready to liquidate some of our equity in our affiliate companies to repay the loan. Should this occur and the Company's holdings in Net/Tech fall below 20%, it will be able to substantially increase the value of its equity holdings on its balance sheet.

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CRYO-CELL INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 1998
(UNAUDITED)

NOTE 4 - COMMITMENTS AND CONTINGENCIES

In December 1997, the Company entered into a marketing agreement with Lamaze Publishing Company to sponsor in conjunction with other well known companies the Lamaze tutorial tape and a full page advertisement in the Lamaze Parents Magazine at a cost of \$175,000. The tutorial tape sponsorship includes a 2.5 minute segment on the Company's cord blood program. As of May 31, 1998, the Company paid \$155,000 of this agreement and is recognizing this as a deposit on the balance sheet. In April 1998, the distribution of the Lamaze tutorial tape and the Lamaze Parents Magazine commenced. The deposit is being prorated over the term of the contract and expensed accordingly.

In March 1998, the Company entered into a marketing agreement with Lamaze Publishing Company to sponsor the Revista Lamaze Onsert Program at a cost of \$36,800. Pursuant to the agreement, the Company's Spanish brochures will be hand delivered to approximately 925,000 Hispanic "mothers-to-be" over the next two years. As of May 31, 1998, the Company paid \$5,000 of this agreement and is recognizing this as a deposit on the balance sheet.

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

CRYO-CELL International, Inc., is a Delaware Corporation, incorporated in 1989, is engaged in cryogenic storage and the design and development of storage devices for use in its cellular storage programs. During the period since its inception, the Company's activities have principally involved the design and development of its cellular storage unit ("CCEL Cellular Storage Unit") and in securing patents on the same. While the Company's patented cellular storage unit is capable of multi-faceted storage, the company has targeted the cryopreservation of umbilical cord blood stem cells as its initial entry into the cellular storage market.

The Company's technology involves patented, multi-faceted cellular storage units. The Company believes its technology provides an improved method for storing human cells, such as cord blood, tumor tissue, sperm and other cells in liquid nitrogen and/or liquid nitrogen vapor.

The unit is currently assembled by an independent manufacturer utilizing the Company's patented design. The Company has been advised by Underwriters Laboratories ("U/L") that we have 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.

A key factor of the Company's business strategy is its LifespanSM Cellular Storage Program. This program establishes a network of LifespanSM Centers through partnerships with hospitals and medical centers. Recently, the Company

has succeeded in combining the LifespanSM Cellular Storage Program with its Revenue Sharing Program. The combined programs entitle the partnering hospital or medical center to receive an additional portion of their LifespanSM center's annual storage revenue.

Tenet HealthSystem Hospitals, Inc., the second largest proprietary hospital system in the U.S. which operates over 120 hospitals, has contracted to participate as a LifespanSM Center and Single-Unit Revenue Sharing Partner. Tenet is expanding its lab facilities to implement the CRYO-CELL LifespanSM Program. The first facility is expected to be opened for processing in the third quarter of fiscal, 1998 at Tenet's St. Vincent Hospital in Worcester, Massachusetts.

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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 will be offering its stem cell banking services to parents of approximately 9,000 babies who are born each year at this facility.

The Company's strategic plan is to develop an international cellular banking network based on its patented technologies. The Company is focusing on building alliances through its LifespanSM Program as well as its Revenue Sharing Program with university/medical centers and other organizations in the United States and overseas.

The Company gains significant marketing support from each partnered hospital or medical center as they educate their patients on the potential life-saving benefits of umbilical cord blood stem cell storage. Since the hospital or medical center, under the Revenue Sharing Program, has now invested its own funds in the program, the Company believes this combined effort has the potential to accelerate the storage of cellular specimens.

The following is a discussion and analysis of the financial condition and results of operations of the Company for the quarter May 31, 1998 as compared to the same period of the prior year.

GENERAL

In addition to initiating its LifespanSM Cellular Storage Program, the Company has entered into an agreement with the Lamaze Publishing Company to sponsor the Lamaze tutorial tape, "You and Your Baby". The agreement calls for Lamaze to show the videotape to nearly two 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 will be distributed by over 10,000 instructors, will discuss the importance of cord blood storage and refer viewers to the full page ad the company has placed in the Lamaze Parents Magazine, which will be distributed to 2.4 million expectant mothers. The Company has also committed to a second Lamaze program which will now bring the total coverage to 3.6 million expectant mothers for the tutorial tape and 4.8 million expectant mothers for the Lamaze Parents Magazine over a two year period. In addition, the Company has signed a two year commitment with Revista Lamaze para Padres Special Delivery Magazine Onsert Program to reach nearly one million Hispanic mothers-to-be with a hand delivered Spanish translation of the CRYO-CELL brochure. The Company feels this is an extremely important marketing campaign because it is known that ethnic minorities are generally underrepresented in the National Marrow Donor Registry. The Company has exclusivity in the cord blood storage field and first right of refusal for renewal of the agreement.

In May 1998, the Company entered into two agreements with third parties whereby CRYO-CELL is contracted to process and cryogenically store cord blood and other specimens. The terms of both agreements are confidential. However, the Company believes that both the agreements have the potential to provide increased volume without compromising the Company's pricing structure.

In June 1998, the Company entered into an agreement with International Broadcast Corporation (IBC). IBC is responsible for the production of a one-half hour infomercial relating to CRYO-CELL's U-Cord(TM) stem cell processing and storage activities. The infomercial is expected to be completed within sixty days and to be shown on television to approximately 50 million people.

In June 1998, the Company was granted a license to operate in the State of New York. The New York Department of Health has approved the Company's application to operate as a comprehensive tissue procurement service, processing and storage facility. This license allows the Company to offer its cord blood stem cell banking services to the residents of New York, which represents a new market in excess of 270,000 annual births.

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During the quarter, the Company continued its program of marketing its

INVESTMENT IN UNCONSOLIDATED AFFILIATE

CRYO-CELL owned 26% of Net/Tech International, Inc., at quarter end (See Note 2 of the Notes to Consolidated Financial Statements for CRYO-CELL holdings). Net/Tech International, Inc.'s premier product is the patented Hygiene Guard™ Hand Washing Monitoring System. The Hygiene Guard™ is an innovative, potentially life saving technology used to monitor employee hand washing at any hand washing station. The system can be utilized in the food service, food processing, health care and child care industries as well as any environment where hygiene and control of the spread of infectious disease is a priority.

Net/Tech has received positive feed back from both the Tropicana and KFC beta test sites, which have resulted in Tropicana and KFC agreements to purchase the Hygiene Guard™ System in its field locations. Tropicana has agreed to purchase an expanded Hygiene Guard™ System, which would monitor an additional 18 sinks, 4 restrooms and approximately 60 employees. JRN Chicken one of KFC's largest franchise owners has agreed to expand the Hygiene Guard™ "Clean Hands Program" into 4 stores one in each one of JRN Chicken's regional locations.

The Tutor Time Child Care Center beta test location was sold prior to completion of the beta test. While results were positive, new ownership did not continue the Hygiene Guard™ testing or purchase the system. Beta test sites are still ongoing at William Beaumont Army Medical Center and a Nestle Food Manufacturing Plant

As a result of Net/Tech's purchase in November 1997, of Hospitality Marketing & Purchasing Corporation (HMP) and the appointment of Ronald J. Heagle as President and Chief Operating Officer, the Company has expanded its plans and vision to become a complete health and food safety solutions company. The Company now plans to offer a variety of health and food safety products and services in addition to the proprietary Hygiene Guard™ technology.

In January 1998, Net/Tech was chosen by Pilgrim Products, Inc. as master distributor for the Food Fresh(TM) line of products. Pilgrim Products, based in Meriden, Connecticut, manufactures food safety products. Under the terms of the agreement, all Food Fresh, or similar products, manufactured by Pilgrim, will be distributed through Net/Tech. As the sole distributor for this food safety product, Net/Tech's new target market will encompass 800,000 walk-in coolers and over 1.5 million reach-in coolers in the U.S. food service industry alone.

In March 1998, Net/Tech was appointed as exclusive master distributor of the HyGenius(TM) Hand Washing Verification System manufactured by Compliance Control, Inc. As part of the exclusive arrangement, Net/Tech will take over marketing to all existing national accounts. The HyGenius(TM) System works with any existing hand sink in nursing homes, daycare and restaurants where hand washing is critical in preventing the spread of illness and infection. The system guides users through a controlled hand washing process including soaping, lathering and rinsing for a designated amount of time as required under FDA retail Food Code. Additionally, the HyGenius(TM) verifies proper and frequent washing and provides feedback on individual compliance with automatic "management-ready" reporting. Among those currently using the HyGenius(TM) system are some of the largest names in the quick service restaurant industry as well as Marriott Hotels, Senior Living and food service operations.

In May 1998, Net/Tech announced test results which confirmed that the hands of the employees using the Hygiene Guard™ "Clean Hands Program" were 8.21 times cleaner than those who were not using the system. Cleanliness was measured by the aerobic bacteria count on the hands of food service workers as was confirmed by independent laboratories. The test conducted by Prepchek Food Safety Consultants included hand samples from 350 workers at 55 locations.

In June 1998, Net/Tech began production manufacturing of two series of its Hygiene Guard™ product line.

Net/Tech intends to offer the hospitality and health care industries the most innovative and affordable hand wash monitoring and hand washing systems in the marketplace. The Company is also developing a food and health safety reference guide and catalog, which will offer approximately 50 to 75 health and food safety products and services. The Company is currently negotiating with manufacturers to distribute these products in the Net/Tech catalog. Net/Tech's strategy is to become the leading provider for health and food safety solutions

The Company carries its investment in Net/Tech under the Equity Method in accordance with generally accepted accounting principles. Under the equity method of accounting, these shares are valued on CRYO-CELL's balance sheet at \$130,541 as of May 31, 1998. If these same shares were valued at the closing market price of Net/Tech's stock on May 31, 1998, the market capitalization of CRYO-CELL's holdings would be \$5,056,062. Since the end of fiscal 1995, the Company has systematically reduced its holdings in Net/Tech from 42% to the current level of 26%. When the Company's holdings of Net/Tech are less than 20%,

they would be valued at fair market value in accordance with generally accepted accounting principles.

MANAGEMENT

In February 1998, Gerald F. Maass joined the Company as Executive Vice President and General Manager. Mr. Maass resigned from a 10 year tenure with Johnson & Johnson (Critikon) where he served as International Director of Marketing. Mr. Maass' international contacts will be invaluable in the development of strategic alliances for the Company's proprietary technology in foreign markets. Along with extensive marketing experience, Mr. Maass also brings to CRYO-CELL experience in general management and the medical technology field.

RESULTS OF OPERATIONS

REVENUES. Revenues for the six months ended May 31, 1998 were \$88,475 as compared to \$410,150 in 1997. The decrease reflects a lower level of Revenue Sharing Agreements which were brought to fruition during the quarter.

MARKETING, GENERAL AND ADMINISTRATIVE EXPENSES. Marketing, general and administrative expenses during the six months ended May 31, 1998 were \$919,959 as compared to \$409,360 in 1997. These expenditures reflect the expense of market development, lab operations support and client services associated with the LifespanSM Centers and Revenue Sharing Agreements, continued product development, and the establishment of an expanded management team to handle the anticipated growth. In addition, the Company incurred costs for printing promotional brochures associated with the marketing campaign with Lamaze Publishing Company.

RESEARCH, DEVELOPMENT AND RELATED ENGINEERING EXPENSES. Research, development and related engineering expenses for the six months ended May 31, 1998, were \$109,816 as compared to \$50,154 in 1997. The increase reflects the continued development of the Company's second generation cellular storage unit, as well as, the research and development of the Company's additional cellular storage systems. The Company has been advised by Underwriter's Laboratories ("U/L") that the second generation cellular storage unit has passed all required inspections and the unit is now U/L approved. 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 1998, the Company began storing cord blood specimens in the CCEL II model located at the state of the art laboratory in Clearwater, Florida.

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LIQUIDITY AND CAPITAL RESOURCES

At May 31, 1998, the Company had cash and cash equivalents of \$133,133 as compared to \$1,311,358 at May 31, 1997. The decrease in cash and cash equivalents was a result of the funding of operations as well as the increased spending for the Company's new state of the art laboratory, expenditures related to its cellular storage unit and expenses related to the marketing campaign with Lamaze Publishing Company.

Future capital expenditures are dependent on the rate at which the Company opens additional storage centers. The Company anticipates that cash reserves, cash flows from operations and the sale of subsidiary stock in fiscal, 1998 will be sufficient to fund its growth. Cash flows from operations will depend primarily on the sale of additional Revenue Sharing Agreements and the results of an extensive umbilical cord blood cellular storage marketing campaign with Lamaze publications.

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 a difference 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 1997 and any Current Reports on Form 8-K filed by the Company.

ITEM 1. LEGAL PROCEEDINGS

In July, 1996, CRYO-CELL filed a lawsuit in the Superior Court of California claiming that the University of Arizona and other defendants had breached CRYO-CELL's contract, misappropriated trade secrets and other allegations. The University filed a motion attempting to get the Lawsuit dismissed in California which the Court disallowed. CRYO-CELL believes its suit has merit and the allegations can be proven.

On March 28, 1997, the Company was informed that the University of Arizona has filed a cross claim to the CRYO-CELL lawsuit stating that CRYO-CELL had breached the contract and had intentionally misled the University. CRYO-CELL believes there is no merit to these allegations and that the belated cross claim is part of the strategy by the University to motivate CRYO-CELL to settle the case. The trial commenced July 6, 1998.

On October 31, 1997, the Company filed a complaint in the United States District Court for the Northern District of New York against Stainless Design Corporation (SDC) seeking to recover two cellular storage units that have been completed by SDC currently located at SDC's manufacturing facility, additional equipment stored by SDC and a \$250,000 deposit remaining from \$900,000 the Company paid in 1993 for the production of six cellular storage machines. The Company alleges that SDC breached their contract based on their failure to complete their contractual obligation to produce the six machines in the specified time frame. In response, SDC denied these allegations claiming in part that numerous design changes by CRYO-CELL's engineers resulted in the per unit construction costs to exceed initial estimates and further claims that they had acquired the parts necessary to construct the additional two units. SDC

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claims that CRYO-CELL has failed to pay an additional \$150,000 owed resulting from SDC's costs incurred to date. The Company believes that this counterclaim is without merit and is pursuing it's action to obtain possession of the equipment, it's \$250,000 security deposit and compensatory damages. In the opinion of the Company management the ultimate resolution of these claims will not have a material adverse effect on the Company's financial position.

In June 1998, a verbal agreement was reached for an out of court settlement which is expected to be finalized during the month of July. Under the terms of this agreement, SDC will release equipment owned by CRYO-CELL and return the 25,000 shares of stock it had previously received.

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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(2)
- 3.2 By-Laws(1)
- 3.21 Board Minutes to Amendment of By-Laws(2)
- 27 Financial Data Schedule (EDGAR version only)

-
- (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.

(b) Reports on Form 8-K filed since the Company's last report are as follows:

Date of Report	Items Reported
----------------	----------------

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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: July 15, 1998

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EXHIBIT INDEX

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27 Financial Data Schedule

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<INCOME-TAX>	0
<INCOME-CONTINUING>	0
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(1,025,722)
<EPS-PRIMARY>	(0.14)
<EPS-DILUTED>	0

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