SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-QSB

(Mark One)
[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the quarterly period ended May 31, 2002

[_] 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) 450-8000

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

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, 2002, 11,339,379 shares of $0.01 par value common stock were outstanding.

Transitional Small Business Disclosure Format (check one). Yes [_] No [X]

CRYO-CELL INTERNATIONAL, INC.

TABLE OF CONTENTS

<TABLE>
<CAPTION>

</TABLE>

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

<TABLE>
<CAPTION>

	May 31, 2002	November 30, 2001
<S>	<C>	<C>
Current Assets		
Cash and cash equivalents	$ 6,044,529	$ 5,540,751
Accounts receivable and advances (net of allowance for doubtful accounts of $34,000)	260,567	215,308
Receivable - Revenue Sharing Agreement	370,000	370,000
Receivable - Affiliates	1,464,864	1,300,000
Note Receivable	251,750	51,750
Marketable securities	182,708	260,996
Prepaid expenses and other current assets	321,492	223,337
Total current assets	8,895,910	7,962,142
Property and Equipment	3,504,441	3,184,883
Other Assets		
Intangible assets (net of amortization of $72,702 and $64,944, respectively)	114,798	119,662
Investment in Saneron CCEL Therapeutics, Inc.	2,196,882	2,431,871
Investment in European Affiliates	3,065,000	3,100,000
Investment option to purchase a business	112,713	212,713
Deposits with vendors and others	370,391	383,075
Total other assets	5,859,784	6,247,321
	$ 18,260,135	$ 17,394,346

LIABILITIES AND STOCKHOLDERS' EQUITY

	May 31, 2002	November 30, 2001
Current Liabilities		
Note Payable - Investment Bank	$ -	$ 467,000
Accounts payable	590,668	114,942
Accrued expenses and withholdings	685,945	248,380
Current portion of obligations under capital leases	623	1,510
Total current liabilities	1,277,236	831,832
Other Liabilities		

Unearned revenue	1,681,760	2,009,942
Deposits	5,932	23,725
Obligations under capital leases-net of current portion	3,785	7,579
Total other liabilities	1,691,477	2,041,246
Minority Interest	37,838	-
Stockholders' Equity		
Preferred stock (500,000 $.01 par value authorized and unissued)	-	-
Common stock (20,000,000 $.01 par value common shares authorized; 11,339,379 at May 31, 2002, and 11,326,379 at November 30, 2001 issued and outstanding)	114,742	113,285
Additional paid-in capital	22,952,334	21,986,961
Additional paid-in capital - stock options	362,173	309,757
Stock subcription receivable	(5,000)	-
Accumulated other comprehensive income (loss)	(13,020)	42,496
Accumulated deficit	(8,157,645)	(7,931,231)
Total stockholders' equity	15,253,584	14,521,268
	$ 18,260,135	$ 17,394,346

</TABLE>

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

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

<TABLE>
<CAPTION>

	Three Months Ended		Six Months Ended	
	May 31, 2002	May 31, 2001	May 31, 2002	May 31, 2001
<S>	<C>	<C>	<C>	<C>
Revenue	$ 1,792,345	$ 1,870,871	$ 3,277,131	$ 2,632,489
Costs and Expenses:				
Cost of sales	590,067	395,064	1,144,105	659,512
Marketing, general & administrative expenses	1,418,499	941,219	2,342,422	1,750,167
Research, development and related engineering	20,651	1,500	45,739	19,091
Depreciation and amortization	119,120	79,629	238,239	

148,184				
Total cost and expenses	2,148,337	1,417,412	3,770,505	
2,576,954				
Operating Income (Loss)	(355,992)	453,460	(493,374)	
55,535				
Other Income and (Expense):				
Interest Income	13,175	25,305	35,533	
61,447				
Interest Expense	(18,945)	(466)	(19,467)	
(994)				
Other Income	266,221	195,142	666,221	
370,142				
Settlement on Litigation	(107,500)	-	(107,500)	
-				
Loss on Sale of Marketable Securities	-	(31,425)	-	
(131,899)				
Total other income	152,951	188,556	574,787	
298,696				
Income (loss) before minority interest and equity in earnings of affiliates	(203,041)	642,016	81,413	
354,231				
Equity in earnings of affiliates	(45,170)	-	(269,989)	
-				
Minority Interest	(24,846)	-	(37,838)	
-				
	(70,016)	-	(307,827)	
-				
Net Income (Loss)	$ (273,057)	$ 642,016	$ (226,414)	$
354,231				
Net income (loss) per share - basic and diluted	($0.02)	$ 0.06	($0.02)	$
0.03				
Number of Shares Used In Computation Basic and diluted	11,339,379	10,194,831	11,335,165	
10,168,945				
Comprehensive income (loss):				
Net income (loss):	(274,101)	642,016	(226,414)	
354,231				
Other comprehensive income (loss)				
Net increase (decrease) in value of marketable securities	(11,512)	(28,563)	(55,516)	
(29,810)				
Comprehensive income (loss)	(285,613)	613,453	(281,930)	
324,422				
Comprehensive income (loss) per share - basic and diluted	($0.03)	$ 0.06	($0.02)	
$ 0.03				

</TABLE>

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

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

<TABLE>
<CAPTION>

	Six Months Ended	
	May 31, 2002	May 31, 2001
<S>	<C>	<C>
Cash Flows from Operating Activities		
Net Income (Loss)	$ (226,414)	$ 354,231
Adjustments to reconcile net income (loss) to cash used for operating activities:		
Depreciation and amortization	255,689	164,269
Loss on sale of marketable securities	-	131,899
Issuance of common stock for interest and services rendered	52,416	185,987
Equity in earnings of affiliates	269,989	-
Minority interest	37,838	-
Changes in assets and liabilities:		
Accounts receivable	(45,259)	(44,116)
Receivable - Revenue Sharing Agreement	-	(690,000)
Receivable - Affiliate	(164,864)	-
Note Receivable	(200,000)	(100,000)
Prepaid expenses and other current assets	(98,155)	(70,698)
Deposits	12,684	(399,300)
Investment-option to purchase	100,000	-
Accounts payable	475,727	84,808
Accrued expenses	437,565	(35,680)
Unearned revenue and deposits	(345,975)	(214,350)
Net cash provided by (used for) operating activities	561,241	(632,950)
Cash flows from investing activities:		
Loan receivable	-	250,000
Marketable Securities	22,772	-
Purchases of property and equipment	(567,376)	(334,423)
Payments for intangible assets	(608)	(8,435)
Net cash provided by (used for) investing activities	(545,212)	(92,858)
Cash flows from financing activities		
Proceeds from the sale of securities	521,770	52,101
Proceeds from the issuance of common stock	-	24,500
Proceeds from the sale of warrants	-	200,000
Private placement fees	(67,340)	-
Stock subscription receivable	(5,000)	-
Exercise of stock options	43,000	56,000
Repayment of capital leases	(4,681)	(4,154)
Net cash provided by financing activities:	487,749	328,447
Increase (decrease) in cash and cash equivalents	503,778	(397,361)
Beginning of period	5,540,751	2,695,794
End of period	$ 6,044,529	$ 2,298,433
Supplemental disclosure of cash flow information:		
Interest	$ 19,467	$ 994
Income taxes	$ -	$ -

</TABLE>

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

NOTE 1 - FINANCIAL STATEMENTS

The Consolidated Financial Statements including the Consolidated Balance Sheet as of May 31, 2002, Consolidated Statements of Operations and Comprehensive Income, and Cash Flows for the six months ended May 31, 2002 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, 2002 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, 2001 Annual Report on Form 10-KSB.

NOTE 2 - COMMITMENTS AND CONTINGENCIES

On April 6, 2000, the Company entered into a renewable two-year agreement with COLTEC, Ltd. for the exclusive license to market the Company's U-Cord program in Europe. The marketing rights allow COLTEC, Ltd. to directly market the U-Cord program, sell revenue sharing agreements or further sub-license the marketing rights throughout Europe. The Company received $1,400,000 in cash in 2000 as an up front licensing fee, of which $465,000 and $700,000 were recorded in fiscal 2000 and 2001, respectively. As of May 31, 2002, the Company recognized the remaining $235,000 of the licensing fee income for fiscal 2002. Pursuant to the agreement the Company is entitled to on-going licensing fees of 10.5% to 20% of adjusted U-CORD processing and storage revenues to be generated in Europe of which $20,454 is reflected in income in 2001. The agreement granted COLTEC, Ltd. a three-year option to purchase 100,000 shares of the Company's common stock at $8.00 per share and up to 100,000 additional options at $12.00 per share which were issued in 2001 at $10.00 per share. Both of the options were exercised on August 28, 2001 for an aggregate of $1,800,000. Subsequent to the licensing agreement date, COLTEC, Ltd. formed a corporation, CRYO-CELL Europe, B.V. to engage in the cryogenic cellular storage business under the agreement. On September 19, 2000, the Company entered into an agreement to purchase approximately 6% of CRYO-CELL Europe, B.V. In October and November 2000, the Company paid $1,000,000 for 38,760 shares of the capital stock of CRYO-CELL Europe, B.V. The Company owned these shares on January 24, 2001.

On October 15, 2001 the Company signed a renewable two-year agreement with CRYO-CELL De Mexico, S.A. De C.V. (CCEL MEX) whereby the Company granted CCEL MEX an exclusive license for the operation and commercialization of the CRYO-CELL U-Cord program in Mexico, Ecuador and Central America which includes the collection, processing and storage of umbilical stem cells as well as allowing CCEL MEX exclusive rights to sublicense the U-Cord program in these geographic areas. The consideration for the license to CCEL MEX is $600,000 of which $200,000 was paid to the Company in fiscal 2001 and the balance is to be paid in installments of $100,000 due June 2002, $100,000 due October 2002 and $200,000 due January 2003. The Company is entitled to on-going licensing fees of 15% to 25% of adjusted U-Cord processing and storage revenues to be generated in Mexico, Ecuador and Central America as well as 10% from the money received by CCEL MEX for the granting of sublicenses. The Company has no other obligations to CCEL MEX other than to provide technical assistance and training so that it can be self-operational. These procedures were substantially completed by November 30, 2001. Accordingly, the Company recognized $500,000 in licensing fee income in fiscal 2001 with respect to this agreement. For the six-month period ended May 31, 2002 the Company recognized the remaining $100,000 as licensing fee income, which is included in Other Income.

NOTE 2 - COMMITMENTS AND CONTINGENCIES (CONT'D)

In October 2001 the Company finalized a renewable three-year contract with CRYO-CELL Middle East, Inc. (CCEL ME) for the exclusive license to market the Company's U-Cord program in Israel, the Middle East and Turkey. The license allows CCEL ME to directly market the Company's U-Cord program and further sublicense the marketing rights throughout Israel, Turkey, Jordan, Lebanon, Egypt, Saudi Arabia, Kuwait, Qatar, United Arab Emirates (including Dubai), Bahrain, Oman and Yemen ("the Licensed Area"). The agreement provides for the Company to receive $1,000,000, (allocated $500,000 to Israel and $500,000 to Turkey and the Middle East), of which it received $100,000 in fiscal 2001 and the balance being payable in three installments of $200,000 due July 2002, February 2003 and November 2003 and one installment of $300,000 due July 2004. The Company is also entitled to licensing fees of 10.5% to 18% of adjusted U-CORD processing and storage revenues to be generated in the Licensed Area as well as 10% from the money received by CCEL ME for the granting of sublicenses. CCEL ME has up to one year to terminate the Turkey and Middle East portion of this agreement. The Company is required to train and provide technical and marketing support to CCEL ME. In addition, the Company sold 50,000 of its common stock warrants ($1.00 each) in fiscal 2001, expiring July 9, 2006, to the chief operating officer of CCEL ME and an entity affiliated to him to purchase an equal number of common shares of the Company at a strike price of $9.00. As of May 31, 2002 the Company has recognized $125,000 as licensing fee income.

NOTE 3 - LEGAL PROCEEDINGS

The Company is involved in the following legal proceedings:

In July 1999, the Company entered into a 20-year exclusive agreement with

The Cancer Group Institute, LLC, a cancer information service. The agreement dealt with the establishment of a business for the preservation of tumor tissue relative to cancer treatment protocols. Cancer Group and Michael Braham were to be provided options in CCEL stock when their efforts resulted in 100 oncologists submitting patients' tumor tissue to CRYO-CELL. The Cancer Group represented that its Web site, www.cancergroup.com was accessed by approximately 25,000 oncologists, radiologists and cancer patients daily. Relying on this information, in December 1999, the Company obtained an option to purchase The Cancer Group Institute and all of its assets, including its Web site, www.cancergroup.com. On or about September 20, 2001, The Cancer Group Institute, LLC, a Florida Limited Liability Company and Michael Braham, an individual filed a lawsuit against the Company in the Circuit Court of the 11th Judicial Circuit, Miami-Dade County, Case No. 01-22158-CA-30. The suit alleges that CRYO-CELL breached a contract with The Cancer Group, LLC and Michael Braham, individually, by not providing the options and seeks an unspecified amount of damages. CRYO-CELL filed a counter suit claiming breach of contract against The Cancer Group, LLC and Michael Braham. On May 23, 2002 the Company entered into a settlement agreement with The Cancer Group Institute LLC. As part of the settlement, the agreement dated July 20, 1999 between the companies is null and void. , CRYO-CELL agrees to issue The Cancer Group an option to purchase twelve thousand five hundred (12,500) shares of CRYO-CELL common stock at an exercise price of $3.75 per share and the Company paid The Cancer Group the sum of $7,500 (Seven Thousand Five Hundred Dollars). The $100,000 that was previously paid as an option to purchase The Cancer Group was expensed during the period and is included in Other Expenses.

On January 30, 2002, the Company was served with a complaint by its former President and Chief Operating Officer, Wanda Dearth. The complaint (Case No. 02-000811-CI-15) was filed in the Circuit Court of the Sixth Judicial Circuit of the State of Florida, Pinellas County. The complaint alleges that the Company breached an agreement with Ms. Dearth and is seeking damages and attorney's fees. The Company's Board of Directors terminated Ms. Dearth's employment on December 19, 2001. The Company believes that it is justified in its action, believes the suit has no merit and is considering its legal options, including filing a counter suit.

NOTE 3 - LEGAL PROCEEDINGS (CONT'D)

On February 22, 2002 the Company received a complaint filed by Pharmastem Therapeutics, Inc. in the United States District Court of Delaware (Wilmington), Case No. 02-CV-198, alleging patent infringement. Pharmastem, a Delaware corporation, has named eight companies active in cord blood banking in the suit, which seeks an injunction against the companies, an unspecified amount of damages or royalties, treble damages and attorney's fees. The Company has consulted with their patent attorney who believes that the asserted patents are not valid and even if valid, believes that CRYO-CELL's business of collecting, processing and cryopreserving cord blood cells does not infringe either of the asserted patents. The Company also notes that it believes that the corresponding patents in other jurisdictions outside the United States have been invalidated.

NOTE 4 - STEM CELL PRESERVATION TECHNOLOGIES, INC.

The Board of Directors of the Company declared a dividend payable in shares of common stock of the Company's subsidiary, Stem Cell Preservation Technologies, Inc. (SCPT) on July 25, 2001. The Company's shareholders are to receive three (3) shares of SCPT common stock for every four (4) shares of the Company's common stock the Company's shareholders own as of the record date of August 31, 2001. An independent appraisal valued SCPT as of August 31, 2001 at $62,500 or less than $0.01 per share, as adjusted for the September 2001 forward split of 1,350 to 1.

The Board of Directors of the Company on August 21, 2001 reserved 1,000,000 shares of the common shares of SCPT (as adjusted for the September 2001 forward split) that CRYO-CELL International, Inc. would own after the dividend is paid for the purpose of incentives for the recruiting of and rewarding of key SCPT executives. SCPT cancelled these shares and retired these shares. As of November 30, 2001, three officers and directors of SCPT had received stock grants of 25,000 common shares each under this plan for services rendered and 925,000 common shares are available for future issuance. The fair value of the shares granted was $1,500, which was charged to operations.

The Company's Board of Directors on August 29, 2001 granted options to purchase an aggregate of 850,000 common shares of SCPT at $0.02 per share to four officers of the Company. The grant price was in excess of the fair value of the shares at the date of grant. Three of the officers exercised their options for 805,000 common shares and at February 28, 2002 an option for 45,000 of these shares to the Company's former President (See Legal Proceedings) was not exercised. The Board of Directors of the Company also authorized the issuance of 195,000 common shares of SCPT to Saneron CCEL Therapeutics, Inc. (See Note 5).

In July 2001, SCPT entered into a financing agreement with Financial Holdings and Investments Corp. (FHIC) whereby SCPT borrowed $500,000 of which $467,000 has been received as of November 30, 2001 as evidenced by an 8%

interest bearing note payable no later than thirteen months from the date of the note provided SCPT shall repay $300,000 of the principal if and when the SCPT realizes $1,500,000 from the sale of its securities. FHIC's subsidiary is the placement agent for the sale of SCPT's securities. SCPT agreed to issue FHIC 250,000 (as per May 22, 2002 amendment below, shares reduced to 150,000) of its common shares, as adjusted for the September 2001 forward split, as additional compensation. SCPT's counsel also received 45,000 common shares for its legal services. Both issuances of shares were valued at their fair value of $3,400 and reflected in accompanying financial statements as deferred financing costs. SCPT used $300,000 of the proceeds received as payment for its investment in CRYO-CELL Europe NV and CRYO-CELL Italia, S.r.l. Of the 12,870,000 issued and outstanding common shares of SCPT at November 30, 2001, the Company owned 11,500,000 (89.4%) shares. Upon payment of the dividend the Company will own approximately 3,200,000 (24.9%) shares of SCPT.

NOTE 4 - STEM CELL PRESERVATION TECHNOLOGIES, INC. (CONT'D)

On November 1, 2001, SCPT offered for sale 1,250,000 shares of its common stock at $2.00 per share in a private placement offering through a private placement agent, Newbridge Securities Corporation, a subsidiary of FHIC. The placement agent is to receive a commission of 10% of the gross proceeds from the offering and a non-accountable expense reimbursement of 3% of the gross sale proceeds. The Placement Agent originally was to receive warrants to acquire 25,900 common shares exercisable at $2.20 per share. As per the May 22, 2002 debt conversion agreement (see below), the warrant issuance was cancelled in exchange for the issuance of 22,500 common shares. The number of shares purchasable under these warrants is equal to 10% of the shares sold under the private offering. The number of shares sold under the offering may be increased to 2,500,000. The offering period originally terminated on December 31, 2001 but was extended until February 28, 2002. By the closing of the offering on February 28, 2002, accredited investors subscribed for 259,000 common shares at $2.00 per share for a total of $518,000. $207,060 was received by February 28, 2002 and $238,600 of stock subscription receivable was received in March 2002. Offering costs amounted to $121,170 of which $67,340 was deducted from the proceeds, $33,000 was paid in the three months ended February 28, 2002 and $20,830 was deferred at November 30, 2001.

On May 22, 2002, FHIC agreed to convert the $500,000 note and accrued interest thereon into 250,000 shares of SCPT's common stock and was paid an incentive fee of $20,000 to convert the note into the common shares. The conversion agreement also required FHIC to reduce the 250,000 shares of SCPT's common stock received as additional compensation under the original terms of the July 2001 financing agreement to 150,000 shares in full satisfaction.

NOTE 5 - INVESTMENTS IN AFFILIATES

Saneron CCEL Therapeutics, Inc.

On October 10, 2001, the Company's subsidiary, CCEL Bio-Therapies, Inc. (CCBT), effected the July 10, 2001 merger agreement with Saneron Therapeutics, Inc. (STI) with CCBT remaining as survivor. The STI shareholders received 56.58% of the merged entity and the Company retained a 43.42% interest. Prior to the merger, CCBT was inactive and had no assets or liabilities. The agreement required the Company to (i) contribute to CCBT 260,000 shares of its common stock (which were actually issued on February 14, 2002) and 195,000 shares of common stock of its subsidiary, SCPT, (ii) convert an advance of $150,000 to STI to capital, (iii) assign certain licenses for stem cell research between the Company, The University of South Florida and the University of South Florida Research Foundation, including all obligations that the Company had under such license agreements, and, (iv) change CCBT's name to Saneron CCEL Therapeutics, Inc. The fair value of the assets contributed by the Company aggregated $2,377,900. STI at the merger date had a historical capital deficiency of $10,000, which included intangible assets that were not assigned any value by its management. The intangible assets of STI consist of patents and all marketing rights thereto, licenses, research and development, and future research grants of approximately $3,000,000, all of which were not assigned a value by management. The merger caused the recognition of $3,248,600 in goodwill on the books of CCBT, which, as of May 31, 2002, is not considered to be impaired by management. The Company recognized an expense of $234,989 in the six months ended May 31, 2002 under the equity method from this minority owned subsidiary.

NOTE 5 - INVESTMENTS IN AFFILIATES (CONT'D)

CRYO-CELL Europe N V

On September 28, 2000, the Company purchased a 6% equity interest in CRYO-CELL Europe, NV (CRYOC) for $1,000,000. The Company's decision to make this investment was based on the decision of a large insurance company to provide coverage to its pregnant policyholders. In October 2001 the Company's subsidiary, Stem Cell Preservation Technologies, Inc. (SCPT) acquired a 1%

interest in CRYOC for $150,000. On October 3, 2001, the Company issued to CRYOC, 17,750 shares of the Company's common stock, whose fair value at issuance was $112,713, as payment for an option to acquire an additional 60% interest in CRYOC for $13,500,000. The option is for one year and is payable in shares of the Company's common stock or other securities acceptable to CRYOC. The Company may, at its discretion, extend the option to acquire the 60% interest for an additional 120 days for no additional consideration if the Company demonstrates to CRYOC that it is in active negotiations with any other company which has expressed an interest in seeing the option exercised. The Company accounts for its investment in CRYOC at cost.

CRYO-CELL Italia, S.r.l.

SCPT simultaneous with its investment in CRYOC acquired a 2.19% interest in CRYO-CELL Italia, S.r.l. (CCI) from CRYOC for $150,000. The Company on August 29, 2001 purchased 21.9% of CCI from CRYOC for $1,800,000. The investments in CCI are for an umbilical cord bank to be opened within Italy. The purchase price of the interests in CCI by both the Company and SCPT included a 21.9% and 2.19% interest, respectively, in a yet to be formed umbilical cord blood bank entity which is planned to commence operations in the Iberian Peninsula. The Company also received a first right of refusal to purchase from CRYOC its remaining 18.91% interest in CCI. The excess of cost of the investment in CCI over the book value of Italia at the time of acquisition was approximately $1,850,000. At May 31, 2002, this goodwill is not considered by management to be impaired. The Company reflects its effective 23.172% interest in Italia under the equity method, which approximates the cost of the investment. The final execution of this agreement is deemed to be a non-cash transaction.

In February 2002, the Italian Ministry of Health issued an ordinance restricting private cord blood collection. The statutory basis under Italian law for this action was Section 107 of the Regulation of Transfusion and Production of Blood Products, which requires that these activities be conducted by duly licensed organizations. In April and May 2002 petitions against the ordinance were brought by CCI and three mothers in separate actions. CCI and the mothers prevailed in all three circumstances resulting in the court permitting the collection and export of the cord blood specimens. The ruling is under appeal. Draft blood product and banking legislation is currently pending in the Italian Parliament which includes a provision that expressly allows private cord blood banking activities within the country. Management believes such legislation will be enacted in the fall of 2002. While there can be no certainty, CCI management believes the company will be able to operate its private cord blood banking operations within the country.

NOTE 6 - SUBSEQUENT EVENTS

On June 18, 2002, Daniel D. Richard resigned from his positions as Chairman and Chief Executive Officer of the Company. John V. Hargiss was appointed to the position of Chief Executive Officer and Mercedes Walton, a Company director, was elected Chairman of the Board. The Board awarded Mr. Richard a $250,000 retirement bonus which was recorded at May 31, 2002 and conditionally awarded, 200,000 stock options at 110% of market value at the time of grant from the Company's Stock Incentive

NOTE 6 - SUBSEQUENT EVENTS (CONT'D)

Plan upon the successful completion of certain performance milestones. Mr. Richard will be paid $200,000 per year over the next 10 years as part of a long-term consulting agreement with the Company. The agreement constitutes a survivor's benefit to his widow in the event of death before the expiration of the 10-year period. The Company plans to take steps in an effort to protect against any future obligation resulting from the survivorship benefit by seeking insurance coverage in the amount of such potential liability.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation.

CRYO-CELL International, Inc. was incorporated on September 11, 1989 in the state of Delaware. 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. The Company believes that it is the fastest growing commercial firm currently specializing in separated umbilical cord blood stem cell preservation. CRYO-CELL has pioneered several technologies that allow for the processing and storage of specimens in a cryogenic environment. The Company's original 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, Florida handles all aspects of its business operations including the processing and storage of specimens.

The following is a discussion and analysis of the financial condition and results of operations of the Company for the quarter ended May 31, 2002 as

compared to the same period of the prior year.

Stem Cell Preservation Technologies, Inc.

On July 25, 2001, the Board of Directors of CRYO-CELL International, Inc. announced that the Company will declare and distribute a stock dividend in the shares of its wholly-owned subsidiary, Stem Cell Preservation Technologies, Inc. Stem Cell Preservation Technologies, Inc. is a development stage company, which will be involved in the development of marketing programs for the collection and preservation of adult stem cells.

All shareholders of record of CRYO-CELL on August 31, 2001 will receive a distribution of three shares of Stem Cell Preservation Technologies, Inc. common stock for every four shares of CCEL that they owned on the record date. The payment date of the shares to be distributed will follow the effective date of a registration statement. In June 2002, Stem Cell Preservation Technologies, Inc. filed a registration statement and is in the process of responding to comments from the Securities and Exchange Commission. Upon the effective date of the registration statement and distribution of the shares, shareholders will be able to sell one-third of their shares immediately and the remaining two-thirds equally over the two years following the effective date.

Safti-Cell, Inc.

In October 2001 the Company sold 90% of Safti-Cell, Inc. a wholly owned subsidiary of the Company, to Diversified Cellular Storage, Inc. Diversified Cellular Storage will be building a state-of-the-art "back-up" cellular storage facility in Sedona, Arizona. According to the terms of the agreement, Diversified Cellular Storage has committed land and property in excess of five hundred thousand dollars, at no cost to Safti-Cell, Inc., and will be building a fireproof and earthquake resistant storage facility. As a

result of the transaction, the Company retained a 10% of Safti-Cell, Inc. and will receive a 2% share in secondary storage of stem cells. In addition, if Diversified Cellular Storage agrees to build a prototype of a CRYO-CELL multi-million capacity facility for DNA back-up storage, CRYO-CELL will receive an additional 8% equity in the DNA back-up storage program.

Saneron CCEL Therapeutics, Inc.

In February 2000, the Company, through its 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 (STTR research grants) on behalf of CCEL BIO-THERAPIES, Inc. In addition, an application was filed for a State of Florida I-4 (now Hi-Tech Corridor) matching grant. 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 future product sales. In February 2001, the Company paid the University an initial $100,000 license payment with the issuance of 15,000 shares of the Company's common stock. In May 2001, the Company paid the University the first two benchmark payments totaling $200,000 with the issuance of 50,000 shares of the Company's common stock. The University was awarded the Hi-Tech Corridor grant in the amount of $100,000. In September 2001, CCEL BIO-THERAPIES was awarded the STTR grant in the amount of $107,000.

In October 2001, Saneron Therapeutics, Inc. merged into CCEL Bio-Therapies, Inc., which then changed its name to Saneron CCEL Therapeutics, Inc. As part of the merger, the Company contributed 260,000 shares of its common stock. The world marketing rights granted through licenses to Saneron and CCEL BIO-THERAPIES, INC. have been assigned to the merged company. Saneron CCEL Therapeutics, Inc. has been granted patents in many countries throughout the world for the therapeutic use of sertoli cells. Intellectual property for human cord blood as a source of stem cells has been filed jointly by the University of South Florida and Daniel D. Richard and has been assigned to Saneron CCEL Therapeutics, Inc. At the conclusion of the merger the Company retained a 43.42% minority interest in Saneron CCEL Therapeutics, Inc.

International Expansion

Europe. On April 6, 2000, the Company entered into a renewable agreement with COLTEC, Ltd. for the exclusive license to market the Company's U-Cord program in Europe. The marketing rights allow COLTEC, Ltd. to directly market the U-Cord program, sell revenue sharing agreements or further sub-license the marketing rights throughout Europe. The Company received $1,400,000 in cash for the marketing license and will receive royalties of 10.5% to 20% of adjusted U-Cord processing and storage revenues to be generated in Europe, and granted COLTEC, Ltd. a three year option to purchase 100,000 shares of the Company's common

stock ($8.00 exercise price) and will issue up to 100,000 additional options ($10.00 exercise price), as needed, to facilitate sales of sub-licensing and/or revenue sharing agreements in Europe. Subsequent to the licensing agreement date, COLTEC, Ltd. formed a corporation, CRYO-CELL Europe, B.V. to engage in the cryogenic cellular storage business under the agreement. On September 19, 2000 the Company entered into an agreement to purchase approximately 6% of CRYO-CELL Europe, B.V. In October and November 2000, the Company paid $1,000,000 for 38,760 shares of the capital stock of CRYO-CELL Europe, B.V. The Company owned these shares on January 24, 2001.

On August 28, 2001, the Company entered into an agreement with CRYO-CELL Europe, N.V. to purchase 21.9% of CRYO-CELL Italia, Srl from CRYO-CELL Europe's equity in this emerging business

entity. Through its prior agreement with CRYO-CELL Europe, the Company will receive a portion of the processing and storage fees generated by CRYO-CELL Italia's operations. The Company's equity purchase of $1,800,000 was facilitated by the exercise of previously issued stock options.

On October 3, 2001, the Company issued CRYO-CELL Europe, N.V. 17,750 shares of the Company's common stock for payment of an option to acquire an additional 60% interest in CRYO-CELL Europe, N.V. for $13,500,000. The option is for one year and is payable in shares of the Company's common stock or other securities acceptable to CRYO-CELL Europe, N.V.

Mexico. On June 13, 2001, the Company entered into an agreement for the exclusive license to market the Company's U-Cord program in Mexico. The license allows CRYO-CELL de Mexico to directly market and operate the U-Cord program throughout Mexico, Central America and Ecuador. The total cost of the license is $900,000 and the licensing fees are 10.5% to 18% of adjusted U-Cord processing and storage revenues to be generated in Mexico and Central America. Per the agreement CRYO-CELL de Mexico will purchase 100,000 warrants at $1.00 each giving them the right to purchase 100,000 shares of the Company's common stock at an exercise price of $8.00 per share. As of May 31, 2002, $300,000 was received. The remainder of the payments are due to be paid in three installments over a two-year period.

During October 2001, the License Agreement was revised. The initial cost of the license was reduced to $600,000 in exchange for a higher percentage of on-going fees. The Company will now receive 15% of processing fees and 25% of annual storage fees.

Israel. On August 15, 2001, the Company entered into an agreement with CRYO-CELL Israel for the exclusive license to market the Company's U-Cord program in Israel. The total cost of the license is $500,000. In addition to the license fees, the Company is entitled to receive 15% of net processing revenues and at least 18% of annual storage fees generated by CRYO-CELL Israel's operations. In addition the Company agreed to the sale of 50,000 warrants at $1.00 each to purchase shares of CCEL at $9.00 per share over the next five years. The Company has received the deposit of $50,000 and $50,000 for the purchase of the warrants. The remainder of the payments is due to be paid in four installments over a three-year period.

Middle East. On August 15, 2001, the Company entered into an agreement with CRYO-CELL Middle East, Inc. (CME) for the exclusive license to market the Company's U-Cord program in the Middle East and Turkey. The total cost of the license is $500,000, which will be recognized by the Company over a three-year period. In addition to the license fees, the Company is entitled to receive 15% of net processing revenues and at least 18% of annual storage fees generated by CME's operations. In addition the Company agreed to the sale of 50,000 warrants at $1.00 each to purchase shares of CCEL at $9.00 per share over the next five years. The Company has received the deposit of $50,000 and $50,000 for the purchase of the warrants. The remainder of the payments are due to be paid in four installments over a three-year period. If, after payment of any monies towards the portion of the License for the Middle East and Turkey, CME determines that it no longer wants to operate in these countries, CME may void the portion of the License for the Middle East and Turkey within one year from the date of the agreement. In this case all of the monies paid by CME will be applied to the Israel portion of the License fees.

Results of Operations

Revenues. Revenues for the six months ended May 31, 2002 were $3,277,131 as compared to $2,632,489 for the same period in 2001 representing a 24% increase. The revenues for the six months ended May 31, 2001 include $750,000 from the sale of a Revenue Sharing Agreement and $1,882,489 in sales from its customers. Therefore, actual processing and storage revenue from sales to customers increased $1,394,642 or 74%. The increase in revenues reflects the significant growth in the processing and storage

revenue associated with the Company's U-Cord(TM) stem cell program. The Company

believes that the growth is a result of its investments in its various marketing programs. The upward sales trend has continued into the third quarter of fiscal 2002.

Cost of Sales. Cost of sales for the six months ended May 31, 2002 was $1,144,105 as compared to $659,512 in 2001. The cost of sales for the six months ended May 31, 2002 and May 31, 2001 represents the associated expenses resulting from the processing and testing of the U-CordTM specimens in the Company's own state of the art laboratory in Clearwater, Florida.

Marketing, General and Administrative Expenses. Marketing, general and administrative expenses during the six months ended May 31, 2002 were $2,342,422 as compared to $1,750,167 in 2001. The increase reflects, in part, the expenses of additional personnel, market development, clinical services expansion and related expenses associated with the growth of the Company's cellular storage program.

Research, Development and Related Engineering Expenses. Research, development and related engineering expenses for the six months ended May 31, 2002, were $45,739 as compared to $19,091 in 2001. The expenses incurred during the six months ended May 31, 2002 are the result of the continued development of the Company's second-generation cellular storage system. The expenses incurred in 2001 reflect the funding of the research project between the Company's subsidiary, CCEL Bio-Therapies, Inc., and the University of South Florida at Tampa.

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 same. The Company believes that its long-term cellular storage units can provide an improved ability to store cells or other material in liquid nitrogen, its vapors or other media. The units are 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 a dual identification system for inventory control is a competitive advantage for the Company. The Company is the assignee of all patents on the units.

Liquidity and Capital Resources

At May 31, 2002, the Company had cash and cash equivalents of $6,044,529 as compared to $2,298,433 at May 31, 2001. The increase in cash and cash equivalents was a result of the $3,837,955 that the Company received from the exercise of options regarding 785,450 shares of the Company's common stock during 2001.

Through May 31, 2002, the Company's sources of cash have been from sales of its U-Cord program to customers, the issuance of common stock from the exercise of common stock options, the sales of Revenue Sharing Agreements and the sale of subsidiary stock (prior to 1998).

The Company anticipates that its cash on-hand, cash flows from operations and receivables from its agreements will be sufficient to fund its growth for the foreseeable future. Cash flows from operations will depend primarily on the success of obtaining increasing revenues resulting from its umbilical cord blood cellular storage marketing campaign.

Forward Looking Statements

This Form 10-QSB, press releases and certain information provided periodically in writing or orally by the Company's officers or its agents may contain statements which constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act, as amended and Section 21E of the Securities Exchange Act of 1934. The terms "CRYO-CELL International, Inc. ," "CRYO-CELL" "Company," "we," "our" and "us" refer to CRYO-CELL International, Inc. The words "expect," "believe," "goal," "plan," "intend," "estimate" and similar expressions and variations thereof, if used, are intended to specifically identify forward-looking statements. Those statements appear in a number of places in this Form 10-QSB and in other places, particularly, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things:

(i) our legal proceedings;
(ii) our anticipated future cash flows;
(iii) our liquidity and capital resources;
(iv) our licensing arrangements and future operating plans;
(v) our future performance and operating results;

Investors and prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks

and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. The factors that might cause such differences include, among others, the following:

(i) any material inability to successfully optimize the opportunities available to us from our licensing agreements;
(ii) any material reductions in the our liquidity and working capital;
(iii) any adverse effect or limitations caused by any governmental regulations, proceedings or actions;
(iv) any continued or increased losses, or any inability to obtain acceptable financing, where desirable in the future, in connection with our operating or growth plans;
(v) any increased competition in our business;
(vi) any decrease or slow down in the number of people seeking to store umbilical cord blood stem cells or decrease in the number of people paying annual storage fees;
(vii) the effect of any future reduced cash position and future inability to access borrowings;
(viii) any adverse impacts on our revenue or operating margins due to the costs associated with increased growth in our business;
(ix) any adverse developments impacting our continued relationship with and success of our licensees;
(x) any inability to achieve increases in revenue or earnings from umbilical cord blood stem cell storage;
(xi) any future inability to substantially achieve the objectives expected from the successful implementation of our strategy;
(xii) the combined decline of public market interest in the Company's business sector and the Company's stock;
(xiii) any added requirements imposed on us by NASDAQ or future loss of the Company's listing under NASDAQ;
(xiv) general economic and market conditions and combined general downturn in the economy;
(xv) inability to generate positive cash flows and continuance of, or

(xvi) the potential impact of negative market influences on the Company's portfolio of cash and cash equivalents;
(xvii) any inability to successfully defend against claims and litigation matters;

We undertake no obligation to publicly update or revise the forward-looking statements made in this Form 10-QSB to reflect events or circumstances after the date of this Form 10-QSB or to reflect the occurrence of unanticipated events.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Incorporated by reference to Part I. Financial Statements-Notes to Condensed Consolidated Financial Statements - Note 4.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits
3.1 Amendment to Certificate of Incorporation
3.2 By-Laws

(b) Reports on Form 8-K.
The Company filed Form 8-K filed March 1, 2002 announcing that Pharmastem Therapeutics, Inc. filed a lawsuit against the Company alleging patent infringement.

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/ JOHN V. HARGISS

John V. Hargiss
Chief Executive Officer

Exhibit 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
CRYO-CELL INTERNATIONAL, INC.

It is hereby certified that:

1. The name of the corporation (the "Corporation") is CRYO-CELL INTERNATIONAL, INC., which is the name under which the Corporation was originally incorporated; the date of filing of the original Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware is September 11, 1989; and the Certificate of Incorporation was amended by the filing of a Certificate of Amendment on October 24, 1994.

2. The Certificate of Incorporation of the Corporation is hereby amended by (i) in Paragraph Fourth, increasing the number of shares of Common Stock, which the Corporation shall have authority to issue from 15,000,000 shares to 20,000,000 shares.

3. The provisions of the Certificate of Incorporation of the Corporation as herein amended are hereby restated and integrated into the single instrument which is hereinafter set forth, and which is entitled Amended and Restated Certificate of Incorporation of CRYO-CELL International, Inc.

4. The amendments and the amended restatement of the Certificate of Incorporation hereinafter certified have been duly adopted by the Board of Directors and the stockholders of the Corporation in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

5. The Amended and Restated Certificate of Incorporation of the Corporation, as amended and restated herein, reads as follows:

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
CRYO-CELL INTERNATIONAL, INC.

PARAGRAPH FIRST: The name of the corporation is

CRYO-CELL INTERNATIONAL, INC.

PARAGRAPH SECOND: The address of the registered office of this corporation in this state is c/o TAQ, Inc., 15 East North Street, in the City of Dover, County of Kent, State of Delaware 19901 and the name of the registered agent at said address if TAQ, INC.

PARAGRAPH THIRD: The purpose of the corporation is to engage in any lawful act or activity for which corporation may be organized under the corporation laws of the State of Delaware.

PARAGRAPH FOURTH: The Corporation shall be authorized to issue the following shares:

Class	Number of Shares	Par Value
Preferred	500,000	$.01
Common	20,000,000	$.01

The preferred shares may be issued from time to time in one or more series. The Board of Directors is hereby authorized to fix or alter the designations, preferences, and relative, participating, optional, or other special rights, and qualifications, limitations, or restrictions, of such preferred shares including without limitation of the generality of the foregoing, dividend rights, dividend rates, conversion rights, the rights of convertibility into common shares, voting rights, and rights, price (s) and terms of redemption. The Board of Directors shall have the authority to set the terms and conditions of convertibility, issuance of dividends, and priority claim of preferred shareholders on corporate assets.

PARAGRAPH FIFTH: The following provisions are inserted for the management of the business and for the conduct of the affairs of the corporation, and for further definition, limitation and regulation of the powers of the corporation and of its directors and stockholders:

(1) The number of directors of the corporation shall be such as from time to time shall be fixed by, or in the manner provided in the by-laws. Election of directors need not be by ballot unless the by-laws provide.

(2) The Board of Directors shall have power without the assent or vote of the stockholders:

(a) To make, alter, amend, change, add to or repeal the by-laws of the corporation; to fix and vary the amount to be reserved for any proper purpose; to authorize and cause to be executed mortgages and liens upon all or any part of the property of the corporation; to determine the use and disposition of any surplus or net profits; and to fix the times for the declaration and payment of dividends.

(b) To determine from time to time whether, and to what times and places, and under what conditions the accounts and books of the corporation (other than the stock ledger) or any of them shall be open to the inspection of the stockholders.

(3) The directors in their discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders or at any meeting of the stockholders called for the purpose of considering any such act or contract, and any contract or act that shall be approved or be ratified by the vote of the holders of a majority of the stock of the corporation which is represented in person or by proxy at such meeting and entitled to vote thereat (provided that a lawful quorum of stockholders be there represented in person or by proxy) shall be as valid and as binding upon the corporation and upon all the stockholders as though it had been approved or ratified by every stockholder of the corporation, whether or not the contract or act would otherwise be open to legal attack because of directors' interest, or for any other reason.

(4) In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the corporation; subject, nevertheless, to the provisions of the statutes of Delaware, of this certificate, any to any by-laws from time to time made by the stockholders; provided, however, that no by-laws so made shall invalidate any prior act of the directors which would have been valid if such by-law had not been made.

PARAGRAPH SIXTH: No director shall be liable to the corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except with respect to (1) a breach of the director's duty of loyalty to the corporation or its stockholders, (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) liability under Section 174 of the Delaware General Corporation Law, or (4) a transaction from which the director derived an improper personal benefit, it being the intention of the foregoing provision to eliminate the liability of the corporation's directors to the corporation or its stockholders to the fullest extent permitted by Section 102(b) (7) of the Delaware General Corporation Law, as amended from time to time. The corporation shall indemnify to the fullest extent permitted by Sections 102 (b) (7) and 145 of the Delaware General Corporation Law, as amended from time to time, each person that such Sections grant the corporation the power to indemnify.

PARAGRAPH SEVENTH: Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this

corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware, may, on the application in a summary way of this corporation or any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths (3/4) in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

PARAGRAPH EIGTH: The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on stockholders, directors and officers are subject to this reserved power.

This Amended and Restated Certificate of Incorporation of the Corporation is hereby executed by the undersigned on behalf of the Corporation this 10th day of July, 2000.

CRYO-CELL INTERNATIONAL, INC.

By: /s/ Jill M. Taymans

Name: Jill M. Taymans

Title: Chief Financial Officer

Exhibit 3.2

AMENDED AND RESTATED BY LAWS
OF
CRYO-CELL INTERNATIONAL, INC.

ARTICLE I
OFFICERS

The principal office of the Corporation shall be located in the City, County and State so provided in the Certificate of Incorporation. The Corporation may also maintain offices at such other places within or without the State of Delaware as the Board of Directors may, from time to time, determine and the business may require.

ARTICLE II
SHAREHOLDERS

1. Place of Meetings.

Meetings of shareholders shall be held at the principal office of the Corporation, or at such other places within or without the State of Delaware as the Board shall authorize.

2. Annual Meetings.

The annual meeting of the shareholders of the Corporation shall be held within six months after the close of the fiscal year of the Corporation at a date and time as determined by the Board of Directors, if such date is not a legal holiday and if a legal holiday, then on the next business day following at the same hour, at which time the shareholders shall elect a Board of Directors, and transact such other business as may properly come before the meeting.

3. Special Meetings.

Special meetings of the shareholders may be called at any time by the Chairman of the Board, Vice Chairman or Chief Executive Officer and shall be called by the Chief Executive Officer or the Secretary at the written request of the holders of twenty (20%) percent of the outstanding shares entitled to vote thereat, or as otherwise required by law.

4. Notice of Meetings.

Written notice of each meeting of shareholders, whether annual or special, stating the time when and place where it is to be held, shall be served either personally or by mail. Such notice shall be served not less than then (10) nor more than sixty (60) days before the meeting, upon each shareholder of record entitled to vote at such meeting, and to any other shareholder to whom the giving of notice may be required by law. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called, and shall indicate that it is being issued by the person calling the meeting. If at any meeting, action is proposed to be taken that would, if taken, entitle shareholders to receive payment for their shares, the notice of such meeting shall include a statement of that purpose and to that effect. If mailed, such notice shall be directed to each such shareholder at his address, as it appears on the records of the shareholders of the Corporation, unless he shall have previously filed with the Secretary of the Corporation a written request that notices intended for him be mailed to some other address, in which event, it shall be mailed to the address designated in such request.

5. Waiver.

Notice of any meeting need not be given to any shareholder who submits a signed waiver of notice either before or after a meeting. The attendance of any shareholder at a meeting, in person or by proxy, shall constitute a waiver of notice by such shareholder.

6. Fixing Record Date.

For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board shall fix, in advance, a date as the record date for any such determination of shareholders. Such date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than (60) days prior to any other action. If no record date is fixed, it shall be determined in accordance with the provisions of law.

7. Quorum.

(a) Except as otherwise provided by the Certificate of Incorporation, at all

meetings of shareholders of the Corporation, the presence at the commencement of such meetings, in person or by proxy, of shareholders holding a third of the total number of shares of the Corporation then issued and outstanding on the records of the Corporation and entitled to vote, shall be necessary and sufficient to constitute a quorum for the transaction of any business. If a specified item of business is required to be voted on by a class or classes, the holder of a majority of the shares of such class or classes shall constitute a quorum for the transaction of such specified item of business. The withdrawal of any shareholder after the commencement of a meeting shall have no effect on the existence of a quorum, after a quorum has been established at such meeting.

(b) Despite the absence of a quorum at any annual or special meeting of shareholders, the shareholders, by a majority of the votes cast by the holders of shares entitled to vote thereon, may adjourn the meeting.

8. Voting.

(a) Except as otherwise provided by statute or by the Certificate of Incorporation,

(1) directors shall be elected by a plurality of the votes cast; and

(2) all other corporate action to be taken by vote of the shareholders, shall be authorized by a majority of votes cast;

at a meeting of shareholders by the holders of shares entitled to vote thereon.

(b) Except as otherwise provided by statute or by the Certificate of Incorporation, at each meeting of shareholders, each holder of record of shares of the Corporation entitled to vote, shall be entitled to one vote for each share of stock registered in his name on the books of the Corporation.

(c) Each shareholder entitled to vote or to express consent or dissent without a meeting, may do so by proxy; provided, however, that the instrument authorizing such proxy to act shall have been executed in writing by the shareholder himself, or by his attorney-in-fact duly authorized in writing. No proxy shall be voted or acted upon after three (3) years, unless the proxy shall specify the length of time it is to continue in force. The proxy shall be delivered to the Secretary at the meeting and shall be filed with the records of the Corporation. Every proxy shall be revocable at the pleasure of the shareholder executing it, unless the proxy states that it is irrevocable, except as otherwise provided by law.

(d) Any action that may be taken by vote may be taken without a meeting on written consent. Such action shall constitute action by such shareholders with the same force and effect as if the same had been approved at a duly called meeting of shareholders and evidence of such approval signed by all of the shareholders shall be inserted in the Minute Book of the Corporation.

ARTICLE III
BOARD OF DIRECTORS

1. Number.

The number of the directors of the Corporation shall be no less than five (5) and no more than eleven (11). The directors shall be elected from time to time in accordance with these By-laws. From time to time, the number of Directors may be increased or decreased by a majority vote of the Board of Directors.

2. Election.

Except as may otherwise be provided herein or in the Certificate of Incorporation, the members of the Board need not be shareholders and shall be elected by a majority of the votes cast at a meeting of shareholders, by the holders of shares entitled to vote in the election.

3. Term of Office.

Each director shall hold office until the annual meeting of the shareholders next succeeding his election, and until his successor is elected and qualified, or until his prior death, resignation or removal. Board terms may be changed to two or three years subject to the approval of a majority of the shareholders.

4. Duties and Powers.

The Board shall be responsible for the control and management of the affairs, property and interests of the Corporation, and may exercise all powers of the Corporation, except those powers expressly conferred upon or reserved to the shareholders.

5. Annual Meetings.

Regular annual meetings of the Board shall be held immediately before, if necessary, and following the annual meeting of shareholders.

6. Regular Meetings and Notice.

The Board may provide by resolution for the holding of regular meetings of the Board of Directors, and may fix the time and place thereof.

Notice of regular meetings shall not be required to be given and, if given, need not specify the purpose of the meeting; provided, however, that in case the Board shall fix or change the time or place of any regular meeting, notice of such action shall be given to each director who shall not have been present at the meeting at which such action was taken within the time limited, and in the manner set forth at Section 7 of this Article III, unless such notice shall be waived.

7. Special Meetings and Notice.

(a) Special meetings of the Board shall be held whenever called by the Chairman, Chief Executive Officer or by a majority of the directors, at such time and place as may be specified in the respective notices or waivers of notice thereof.

(b) Notice of special meetings shall be: 1.) mailed directly to each director, addressed to him at the address designated by him for such purpose at his usual place or business, at least two (2) business days before the day on which the meeting is to be held, 2.) delivered to him personally or 3.) given to him orally in person or by telephone, not later than the business day before the day on which the meeting is to be held.

(c) Notice of special meeting shall not be required to be given to any director who shall attend such meeting, or who submits a signed waiver of notice.

8. Chairman.

At all meetings of the Board, the Chairman, if present, shall preside. If there shall be no Chairman, or he shall be absent, then the Vice Chairman shall preside. In his absence, the Chairman shall be chosen by the Directors present.

9. Quorum and Adjournments.

(a) At all meetings of the Board, the presence of a majority of the entire Board shall be necessary to constitute a quorum for the transaction of business, except as otherwise provide by law, by the Certificate of Incorporation, or by these By-laws. Participation of any one or more members of the Board by means of a conference telephone or similar communications equipment, allowing all persons participating in the meeting to hear each other at the same time, shall constitute presence in person at any such meeting.

(b) A majority of the directors present at any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice, until a quorum shall be present.

10. Manner of Acting.

(a) At all meetings of the Board, each director present shall have one vote.

(b) Except as otherwise provided by law, by the Certificate of Incorporation, or these By-laws, the action of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. Any action authorized, in writing, by all the directors entitled to vote thereon and filed with the minutes of the Corporation shall be the act of the Board with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the Board.

11. Vacancies.

Any vacancy in the Board of Directors resulting from an increase in the number of directors, or the death, resignation, disqualification, removal or inability to act of any director, shall be filled for the unexpired portion of the term by the majority vote of the remaining directors, though less than a quorum, at any regular meeting or special meeting of the Board called for that purpose.

12. Resignation.

Any director may resign at any time by giving written notice to the Chairman of the Board, or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board or such officer, and the acceptance of such resignation shall not be necessary to make it effective.

13. Removal.

Any director may be removed, for cause, at any time by the holders of a majority of the shares then entitled to vote at an election of directors, at a special meeting of the shareholders called for that purpose, or by action of the Board.

14. Compensation.

The Board of Directors may fix the compensation of Directors. Each Director may be paid a stated salary as such or a fixed sum for the attendance at meetings of the Board of Directors or any committee thereof, or both, and may be reimbursed for his expenses of attendance at each such meeting. The Board of Directors may also pay to each Director rendering services to the Corporation not ordinarily rendered by Directors, as such, special compensation appropriate to the value of such services, as determined by the Board of Directors from time to time. None of these payments shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefore. The Board of Directors may determine the compensation of a Director who is also an Officer for service as an Officer as well as for service as a Director.

15. Contracts.

(a) No contract or other transaction between this Corporation and any other business shall be affected or invalidated, nor shall any director be liable in any way by reason of the fact that a director of this Corporation is interested in, or is financially interested in such other business, provided such fact is disclosed to the Board.

(b) Any director may be a party to or may be interested in any contract or transaction of this Corporation individually, and no director shall be liable in any way by reason of such interest, provided that the fact of such participation or interest be disclosed to the Board and provided that the Board shall authorize or ratify such contract or transaction by the vote (not counting the vote of any such directors) of a majority of a quorum, notwithstanding the presence of any such director at the meeting at which such action is taken. Such director may be counted in determining the presence of a quorum at such meeting. This Section shall not be construed to invalidate or in any way affect any contract or other transaction, which would otherwise be valid under the law applicable thereto.

16. Committees.

The Board, by resolution adopted by a majority of the entire Board, may from time to time designate from among its members an executive committee and such other committees, and alternate members thereof, as they deem desirable, each consisting of three or more members, with such powers and authority (to the extent permitted by law) as may be provided in such resolution. Each such committee shall remain in existence at the pleasure of the Board. Participation of any one or more members of a committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, shall constitute a director's presence in person at any such meeting. Any action authorized in writing by all of the members of a committee and filed with the minutes of the committee shall be the act of the committee with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the committee.

ARTICLE IV
OFFICERS

1. Number and Qualifications.

The officers of the Corporation shall consist of a Chief Executive Officer, a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers, including a Chairman and Vice Chairman of the Board, as the Board of Directors may from time to time deem advisable. Any officer other than the Chairman of the Board may be, but is not required to be, a director of the Corporation. Any two or more offices may be held by the same person, except the offices of Chief Executive Officer and Secretary.

2. Election.

The officers of the Corporation shall be elected by the Board at the regular annual meeting of the Board following the annual meeting of shareholders.

3. Term of Office.

Each officer shall hold office until the annual meeting of the Board next succeeding his election, and until his successor shall have been elected and qualified, or until his death, resignation or removal.

4. Resignation.

Any officer may resign at any time by giving written notice to the Board, the Chief Executive Officer or the Secretary of the Corporation. Such resignation shall take effect upon receipt thereof by the Board or such officer, unless otherwise specified in such written notice. The acceptance of such resignation shall not be necessary to make it effective.

5. Removal.

Any officer, whether elected or appointed by the Board, may be removed by the

Board, either with or without cause, and a successor elected by the Board at any time.

6. Vacancies.

A vacancy in any office by reason of death, resignation, inability to act, disqualification, or any other cause, may at any time be filled for the unexpired portion of the term by the Board.

7. Duties.

Unless otherwise provided by the Board, officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, such powers and duties as may be set forth in these by-laws, and such powers and duties as may be specifically provided for by the Board.

8. Sureties and Bonds.

At the request of the Board, any officer, employee or agent of the Corporation shall execute for the Corporation a bond in such sum, and with such surety as the Board may direct, conditioned upon the faithful performance of his duties to the Corporation, including responsibility for negligence and for the accounting for all property, funds or securities of the Corporation which may come into his hands.

9. Shares of Other Corporations.

Whenever the Corporation is the holder of shares of any other corporation, any right or power of the Corporation as such shareholder shall be exercised on behalf of the Corporation in such manner as the Board may authorize. Such authorization shall be given to the Chairman or the Corporation's Chief Executive Officer.

ARTICLE V
SHARES OF STOCK

1. Certificates.

(a) The certificates representing shares in the Corporation shall be in such form as shall be approved by the Board and shall be numbered and registered in the order issued. They shall bear the holder's name and the number of shares and shall be signed by (i) the Chairman of the Board or the Vice Chairman of the Board or the President or a Vice President, and (ii) the Secretary or Treasurer, or any Assistant Secretary or Assistant Treasurer, and shall bear the corporate seal.

(b) Certificates representing shares shall not be issued until they are fully paid for.

(c) The Board may authorize the issuance of certificates for fractions of a share which shall entitle the holder to exercise voting rights, receive dividends and participate in liquidating distributions, in proportion to the fractional holdings.

2. Lost or Destroyed Certificates.

Upon notification by the holder of any certificate representing shares of the Corporation of the loss or destruction of one or more certificates representing the same, the Corporation may issue new certificates in place of any certificates previously issued by it, and alleged to have been lost or destroyed. Upon production of evidence of loss or destruction, in such form as the Board in its sole discretion may require, the Board may require the owner of the lost or destroyed certificates to provide the Corporation with a bond in such sum as the Board may direct, and with such surety as may be satisfactory to the Board, to indemnify the Corporation against any claims, loss, liability or damage it may suffer on account of the issuance of the new certificates. A new certificate may be issued without requiring any such evidence or bond when, in the judgment of the Board, it is proper to do so.

3. Transfers of Shares.

(a) Transfers of shares of the Corporation may be made on the share records of the Corporation solely by the holder of such records, in person or by a duly authorized attorney, upon surrender for cancellation of the certificates representing such shares, with an assignment or power of transfer endorsed thereon or delivered therewith, duly executed and with such proof of the authenticity of the signature, and the authority to transfer and the payment of transfer taxes as the Corporation or its agents may require.

(b) The Corporation shall be entitled to treat the holder of record of any shares as the absolute owner thereof for all purposes and shall not be bound to recognize any legal, equitable or other claim to, or interest in, such shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by law.

(c) The Corporation shall be entitled to impose such restrictions on the transfer of shares as may be necessary for the purpose of electing or maintaining Subchapter S status under the Internal Revenue Code or for the purpose of securing or maintaining any other tax advantage to the Corporation.

4. Record Date.

In lieu of closing the share records of the Corporation, the Board may fix, in advance, a date not less than ten (10) days nor more than sixty (60) days, as the record date for the determination of shareholders entitled to receive notice of, and to vote at, any meeting of shareholders, or to consent to any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividends, or allotment of any rights, or for the purpose of any other action. If no record date is fixed, the record date for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day immediately preceding the day on which notice is given, or, if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held; the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the resolution of the directors relating thereto is adopted. The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board is necessary, shall be the day on which the first written consent is expressed. When a determination of shareholders of record entitled to notice of or to vote at any meeting of shareholders has been made as provided for herein, such determination shall apply to any adjournment thereof, unless the directors fix a new record date for the adjourned meeting.

ARTICLE VI
DIVIDENDS

Subject to this Certificate of Incorporation and to applicable law, dividends may be declared and paid out of any funds available thereof, as often, in such amount, and at such time or times as the Board may determine. Before payment of any dividends, there may be set aside out of the net profits of the Corporation available for dividends, such sum or sums as the Board, from time to time, in its sole discretion, deems proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purposes as the Board shall think conducive to the interests of the Corporation, and the Board may modify or abolish any such reserve.

ARTICLE VII
FISCAL YEAR

The fiscal year of the Corporation shall be fixed by the Board from time to time, subject to applicable law.

ARTICLE VIII
CORPORATE SEAL

The corporate seal, if any, shall be in such form as shall be approved from time to time by the Board.

ARTICLE IX
AMENDMENTS

1. By Shareholders.

All by-laws of the Corporation shall be subject to revision, amendment or repeal, and new by-laws may be adopted from time to time by a majority of the shareholders who are at such time entitled to vote in the election of directors.

2. By Directors.

All by-laws of the Corporation also shall be subject to revision, amendment or repeal, and new by-laws may be adopted from time to time by a majority of the Board of Directors.