FORUM ENERGY TECHNOLOGIES, INC.
Form 8-K
December 06, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): November 30, 2018
FORUM ENERGY TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-35504	61-1488595
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

920 Memorial City Way, Suite 1000
Houston, Texas 77024
(Address of principal executive offices and zip code)
Registrant's telephone number, including area code: (281) 949-2500

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:
o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company o
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 3, 2018, Forum Energy Technologies, Inc. (the "Company") announced that the Board of Directors (the "Board") appointed C. Christopher Gaut, 62, as President and Chief Executive Officer, effective November 30, 2018. Mr. Gaut succeeds Prady Iyyanki, 48, who resigned as President and Chief Executive Officer and as a member of the Board on November 30, 2018.

Mr. Gaut has served as the Company's Chairman of the Board since December 2017. Prior to that, from May 2017 to December 2017, he served as Executive Chairman of the Board, and as Chief Executive Officer from May 2016 to May 2017. From August 2010 to May 2016, he served as President, Chief Executive Officer and Chairman of the Board, and as one of the Company's directors since December 2006. During 2018, Mr. Gaut has been employed by the Company pursuant to an agreement previously filed on the Company's Current Report on Form 8-K dated February 21, 2018. Additional information about Mr. Gaut required under Items 401(b), (d) and (e) and Item 404(a) of Regulation S-K is contained on page five of the Company's Definitive Proxy Statement for the 2018 Annual Meeting of Stockholders filed with the Securities and Exchange Commission on April 2, 2018, which is incorporated herein by reference (the "Proxy Statement"). In addition, Mr. Gaut is an investor in certain funds affiliated with L.E. Simmons & Associates, Incorporated ("LESA"), the ultimate general partner of the Company's largest stockholder, including funds that own stock in the Company. In connection with the appointments disclosed herein, Mr. Gaut has resigned from his position as an industry advisor to LESA, as described in the Proxy Statement.

Any material changes to Mr. Gaut's current compensatory arrangements in connection with his appointment as President and Chief Executive Officer will be disclosed after they have been finalized. The material terms of Mr. Iyyanki's separation agreement are not different from the applicable terms of his employment agreement, previously filed on the Company's Current Report on Form 8-K dated January 8, 2014, in the case of a termination without "Cause."

In connection with Mr. Iyyanki's resignation from his position as a director, the Board decreased its size from ten to nine directors, effective November 30, 2018. Mr. Gaut will continue to serve as the Chairman of the Board and will not serve on any of the Board's standing committees.

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 hereunto duly authorized.

Date: December 6, 2018	FORUM ENERGY TECHNOLOGIES, INC. /s/ John C. Ivascu John C. Ivascu Vice President, Deputy General Counsel and Secretary

="bottom"> (36,449)

(32,812) (29,836) (53,847) (36,449)

Income from continuing operations	115,571	608,410	294,197	915,255
Loss on discontinued operations				(92,556)
Net Income	$115,571	$608,410	$294,197	$822,699
Net income from continuing operations per common share-basic	$0.01	$0.05	$0.03	$0.08
Net loss from discontinued operations per common share-basic	$0.00	$0.00	$0.00	$(0.01)

Net income per common share - basic			
$0.01	$0.05	$0.03	$0.07
Weighted average common shares outstanding - basic			
11,602,047	11,355,379	11,545,765	11,354,805

Net income from continuing operations per common share-diluted			
$0.01	$0.05	$0.02	$0.08
Net loss from discontinued operations per common share-diluted			
$0.00	$0.00	$0.00	$(0.01)
Net income per common share - diluted			
$0.01	$0.05	$0.02	$0.07
Weighted average common shares outstanding - diluted			
12,193,013	11,546,265	12,185,663	11,597,753

Comprehensive income:

Net income:

$115,571 608,410 $294,197 $822,699

Net change in unrealized loss on marketable securities

(13,238) (14,357) (75,102) (39,203)

Comprehensive income

$102,333 $594,053 $219,095 $783,496

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

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CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Six Months Ended	
	May 31, 2005	May 31, 2004
Cash Flows from Operating Activities:		
Net Income	$ 294,197	$ 822,699
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	287,184	235,690
Gain (loss) on sale of marketable securities held to maturity	3,207	(2,958)
Loss on sale of property and equipment	5,179	2,625
Gain on re-negotiation of deferred consulting agreement	(498,161)	
Compensatory element of stock options	12,628	37,296
Provision for doubtful accounts	209,477	42,747
Equity in losses of affiliate	53,847	36,449
Changes in assets and liabilities:		
Restricted cash		(1,173,721)
Accounts receivable and advances	(393,297)	(304,305)
Receivable - Affiliates	231,880	195,022
Prepaid expenses and other current assets	(329,831)	(104,780)
Deposits and other assets	7,230	(9,195)
Accounts payable	165,757	73,546
Accrued expenses	(304,823)	422,838
Deferred revenue	941,087	893,223
Net cash provided by operating activities	685,561	1,167,176
Cash flows from investing activities:		
Purchases of property and equipment	(522,327)	(292,603)
Sale of property and equipment	21,201	2,600
Proceeds from sale of marketable securities	362,999	210,000
Net cash used in investing activities	(138,127)	(80,003)
Cash flows from financing activities:		
Receivable - revenue sharing agreements		100,525
Proceeds from the exercise of stock options	180,895	1,620
Proceeds from loan payable to related party		50,000
Repayment of loan to related party		(195,000)
Repayments of deferred consulting obligation	(47,044)	(60,644)
Net cash provided by (used in) financing activities	133,851	(103,499)
Increase in cash and cash equivalents	681,285	983,674
Cash and cash equivalents - beginning of period	4,737,368	2,452,006

Cash and cash equivalents - end of period	$ 5,418,653	$ 3,435,680
Supplemental disclosure of cash flow information:		
Interest	$ 372,949	$ 266,899
Income taxes	$	$
Supplemental schedules of non-cash investing and financing activities:		
Change in unrealized net loss as a component of marketable securities and shareholders equity	$ (75,102)	$ (39,203)

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

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CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2005

(Unaudited)

Note 1 - Basis of Presentation

The unaudited consolidated financial statements including the Consolidated Balance Sheets as of May 31, 2005 and November 30, 2004, and the related Consolidated Statements of Earnings and Comprehensive Income and Cash Flows for the three and six months ended May 31, 2005 and May 31, 2004 have been prepared by CRYO-CELL International, Inc. and its subsidiaries (the Company or CRYO-CELL). 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 for all periods presented have been made.

The unaudited consolidated financial statements herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial reporting. Certain financial information and note disclosures which are normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to those rules and regulations. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company s November 30, 2004 Annual Report on Form 10-KSB.

Revenue Recognition

Enrollment fee revenue and the related direct incremental costs associated with these fees are deferred and recognized once the processing of the specimens is completed.

The Company records revenue from processing and storage of specimens. The Company recognizes revenue from processing fees upon completion of processing and cellular storage fees ratably over the contractual storage period. The Company also records revenue from shipping and handling when earned. Shipping and handling costs are expensed and included in cost of sales.

Income Taxes

Under the asset and liability method of SFAS No. 109 Accounting for Income Taxes , deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. A valuation allowance covering the net deferred tax assets of the Company as of May 31, 2005 and November 30, 2004, has been provided as the Company does not believe it is more likely than not that the future income tax benefits will be realized.

Recently Issued Accounting Pronouncements

On December 16, 2004, the FASB issued FASB Statement No. 123 (revised 2004), Share-Based Payment, which is a revision of FASB Statement No. 123, *Accounting for Stock-Based Compensation* (SFAS 123(R)). SFAS 123(R) supersedes APB No. 25 and amends FASB Statement No. 95, *Statement of Cash Flows*. However, SFAS 123(R) *requires* all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative.

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SFAS 123(R) must be adopted by small business issuers in the annual period beginning after December 15, 2005. Early adoption will be permitted in periods in which financial statements have not yet been issued. The Company expects to adopt SFAS 123(R) on December 1, 2006.

SFAS 123(R) permits public companies to adopt its requirements using one of two methods:

1. A modified prospective method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of SFAS 123 for all awards granted to employees prior to the effective date of SFAS 123(R) that remain unvested on the effective date.

2. A modified retrospective method which includes the requirements of the modified prospective method described above, but also permits entities to restate based on the amounts previously recognized under SFAS 123 for purposes of pro forma disclosures either (a) all prior periods presented or (b) prior interim periods of the year of adoption.

The Company plans to adopt SFAS 123 using the modified prospective method.

As permitted by SFAS 123, the Company currently accounts for share-based payments to employees using Opinion 25 s intrinsic value method and, as such, generally recognizes no compensation cost for employee stock options. Accordingly, the adoption of SFAS 123(R) s fair value method will have a significant impact on our result of operations, although it will have no impact on our overall financial position. The impact of adoption of SFAS 123(R) cannot be predicted at this time because it will depend on levels of share-based payments granted in the future. However, had we adopted SFAS 123(R) in prior periods, the impact of that standard would have approximated the impact of SFAS 123 as described in the disclosure of pro forma net income and earnings per share in Note 2 to our consolidated financial statements. SFAS 123(R) also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption. While the company cannot estimate what those amounts will be in the future (because they depend on, among other things, when employees exercise stock options), the amount of operating cash flows recognized in prior periods for such excess tax deductions were $0 for the six months ended May 31, 2005 and May 31, 2004.

Note 2 Earnings per Common Share

Earnings per common share data is based on net income and not comprehensive income. The following table sets forth the calculation of basic and diluted earnings per share:

	Three Months Ended		Six Months Ended	
	May 31, 2005	May 31, 2004	May 31, 2005	May 31, 2004
Numerator:				
Net Income	$ 115,571	$ 608,410	$ 294,197	$ 822,699
Denominator:				
Weighted-average shares outstanding-basic	11,602,047	11,355,379	11,545,765	11,354,805

Dilutive common shares issuable upon exercise of stock options	590,966	190,886	639,898	242,948
Weighted-average shares-diluted	12,193,013	11,546,265	12,185,663	11,597,753
Earnings per share:				
Basic	$ .01	$ .05	$ .03	$ .07
Diluted	$ .01	$ .05	$ .02	$ .07

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For the three and six months ended May 31, 2005 and May 31, 2004, options to purchase 433,546 and 389,056, and 454,400 and 434,000 shares of common stock, respectively, were outstanding during the period but were not included in the computation of diluted earnings per share because the options exercise prices were greater than the average market price of the common shares, and therefore, the effect would be anti-dilutive.

Note 3 Legal Proceedings

The Company is involved in the following legal proceedings:

On February 22, 2002 the Company was named as a defendant in a complaint filed by Pharmastem Therapeutics, Inc. (Pharmastem) in the United States District Court of Delaware (Wilmington) (the Court), Case No. 02-148-GMS, alleging patent infringement of U.S Patents Nos. 5,004,681 (681 patent) which relates to the collection, processing, and storage of stem cells derived from umbilical cord blood and 5,192,553 (553 patent) which relates to the therapeutic uses of stem cells derived from umbilical cord blood. Pharmastem, a Delaware corporation, named eight companies (three of which are now out of business) involved in cord blood banking. The suit sought an injunction against the companies, an unspecified amount of damages or royalties, treble damages and attorney s fees. The trial was held in October 2003 and pursuant to a jury verdict entered on October 30, 2003, a judgment was entered against the Company in the amount of $957,722 for damages relating to royalties resulting from revenues generated from specimens processed and stored from April 11, 2000 through August 31, 2003. The Company recognized a liability for the year ended November 30, 2003 in the amount of the judgment and an additional expense in the amount of $145,000 for estimated damages relating to royalties resulting from revenues generated from specimens processed and stored. For the three months and six months ended May 31, 2004 the Company accrued an additional expense in the amount of approximately $169,000 and $322,000 for revenues generated for specimens processed and stored.

During fiscal 2004 the Company accrued an additional $523,000 (which includes the $169,000 and $322,000 accrued during the three and six months ended May 31, 2004, respectively) for estimated damages relating to royalties resulting from revenues generated from specimens processed and stored during the first, second and third quarters of fiscal 2004 recognizing that it was probable that the damages would continue to accrue at a rate of 6.125% should the judgment remain in effect related to the 681 patent. In December 2003, the Company transferred $957,722 into an escrow account. The defendants, including the Company, filed motions for post-trial relief, and execution of the judgment was stayed pending disposition of those motions. The plaintiff also filed motions seeking an award of approximately $2,800,000 for enhanced damages, counsel fees and interest, as well as for a permanent injunction against future infringement. The Company did not accrue the $2,800,000, as the Company felt the likelihood of such an award was remote.

On September 15, 2004, the Court ruled on the post trial motions. The Court vacated its judgment, overturning the jury s verdict for patent infringement and damages previously entered against the Company, and denied Pharmastem s request for an injunction and enhanced damages against the defendants. Reversing the jury s verdict, the Court entered a new judgment in favor of the Company and the other defendant blood banks with regard to Pharmastem s 553 patent, holding that the cord blood

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banks are not, and cannot be, liable for contributory infringement of the patent because they do not sell, or offer for sale, umbilical cord blood. Rather, the private blood banks provide a service of processing and preservation of cord blood for families. With regard to Pharmastem s original patent the 681 patent, the Court granted CRYO-CELL and its co-defendants a new trial on the issues of infringement and damages, finding that the jury s earlier verdict of infringement was against the great weight of the evidence .

As a result of the September 15, 2004 ruling the Company reversed all prior accruals related to the 681 patent totaling $1,102,968, during the third quarter of fiscal 2004. The Company was no longer obligated to hold the $957,722 in an escrow account and the funds were returned to the Company in October 2004.

On October 4, 2004, Pharmastem filed in the Delaware action a motion for preliminary injunction against the Company (and its co-defendants) regarding the 681 patent. Pharmastem sought an injunction limiting the ability of the Company to refer to the use of umbilical cord blood in the treatment of adults in the marketing of the Company s services, to advise customers for its services that cord blood stored hereafter is for pediatric use only, and to enjoin the Company from storing cord blood units that have sufficient stem cells to effect the hematopoietic reconstitution of an adult. The Company and other defendants filed a motion asking the court to reconsider the denial of the judgment as a matter of law on the 681 patent. On December 14, 2004, the Court ruled in favor of the Company and other defendants. The effect of this order is that final judgment has now been entered in favor of CRYO-CELL and the other defendants on Pharmastem s charges of infringement of both patents that were asserted in that case, marking a final disposition of the case in CRYO-CELL s favor, and denying Pharmastem s motion for preliminary injunction. Pharmastem has filed an appeal of the decision to the United States Court of Appeals for the Federal Circuit. CRYO-CELL and the other defendants have filed a cross-appeal on the issues of the validity and enforceability of the 681 and 553 patents.

Moreover, in a separate action, the U.S. Patent and Trademark Office has recently decided to reexamine the validity of both of the Pharmastem patents that were the subject of the litigation in Delaware, the 553 patent and the 681 patent. In January 2005, a Patent Office examiner entered an office action rejecting all claims of the 553 patent. This action is not final, and Pharmastem has the opportunity to present further argument to the examiner.

On July 28, 2004 the Company was named as a defendant in a complaint filed by Pharmastem Therapeutics, Inc. in the United States District Court for the Middle District of Florida, Tampa Division, Case No. 8:04-cv-1740-T-30TGW alleging infringement of U.S. Patents Nos. 6,461,645 and 6,569,427. These patents are closely related to the 681 and 553 patents that were the subject of Pharmastem s Delaware litigation. Pharmastem also named as a defendant Dr. Bruce Zafran, a member of the Company s scientific and medical advisory board. The suit seeks an injunction, an unspecified amount of damages or royalties, treble damages and attorney s fees. The Company has filed an answer and counterclaims against Pharmastem and its Chief Executive Officer, Nicholas Didier. Pharmastem and Didier have filed motions to dismiss those counterclaims. The Judicial Panel on Multidistrict Litigation transferred this action to the District of Delaware for coordinated pretrial proceedings with other cases brought by Pharmastem alleging infringement of these same two patents by other defendants. The Company intends to vigorously defend the suit. Discovery in the action has not yet commenced.

Between May and July 2003, ten putative class action complaints were filed in the United States District Court of the Middle District of Florida against the Company, certain current and former officers and directors of the Company and two accounting firms who previously audited the Company s consolidated financial statements. All ten complaints alleged violations of federal securities laws, including improper recognition of revenue in the consolidated financial statements presented in certain public reports of the Company. On October 22, 2003, all ten complaints were consolidated (Case No. 03-

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CV-1011). On February 17, 2004, the court appointed lead plaintiffs. On April 27, 2004, the lead plaintiffs filed an amended complaint. The amended complaint generally seeks, among other things, certification of a class of persons who purchased the Company s common stock between March 16, 1999 and May 20, 2003 and unspecified damages. On February 25, 2005, the United States District Court for the Middle District of Florida issued an order approving the previously reported formal stipulation of settlement for the litigation. The settlement, which totals $7 million, includes a payment of $4 million paid by the insurance carrier of the Company s former auditors. In addition, the Company s insurance carrier paid $3 million on the Company s behalf under its directors and officers insurance policy. The Company previously satisfied the $175,000 deductible under its directors and officers insurance policy, and believes it will have no further financial obligations under the settlement.

Note 4 - Investments in Subsidiaries and Affiliates

Saneron CCEL Therapeutics, Inc. (Saneron)

The Company has an ownership interest of approximately 39% and 42% in Saneron, which is accounted for under the equity method of accounting, as of May 31, 2005 and November 30, 2004, respectively. The Company s ownership percentage in Saneron has decreased due to Saneron issuing common shares to other entities and individuals. As of November 30, 2004, independent valuations appraised the Company s approximate 42% interest in Saneron at $2,070,000. As of May 31, 2005 and November 30, 2004, the net Saneron investment, including goodwill of approximately $684,000, is reflected on the accompanying consolidated balance sheets at approximately $686,000 and 717,000, respectively.

For the three and six months ended May 31, 2005, the Company recorded equity in losses of affiliate in losses of Saneron operations $32,812 and $53,847. Included in equity in losses of affiliate is approximately $13,200 and $23,100 for the three and six months ended May 31, 2005, respectively, related to compensation expense for stock option awards that were granted by Saneron to certain consultants and employees below fair market value. For the three and six months ended May 31, 2004, the Company recorded equity in losses of Saneron operations of $29,836 and $36,449. Included in equity in losses of affiliate is approximately $12,000 and $24,000 for the three months and six months ended May 31, 2004 related to compensation expense for stock option awards that were granted by Saneron.

As of May 31, 2005 and November 30, 2004, the Company has classified the initial value of Company stock held by Saneron of approximately $839,000 within stockholders equity as treasury stock.

Stem Cell Preservation Technologies, Inc.

On January 29, 2004, CRYO-CELL announced the decision to close SCPT, following the resignation of SCPT s Board of Directors and management. SCPT ceased operations immediately thereafter. CRYO-CELL concluded that SCPT required significant additional funding to complete the repurchase and to remain in operation, and that SCPT management s restructuring proposals all would have required CRYO-CELL to make significant cash expenditures. CRYO-CELL owned 11,500,000 (86.6%) shares of SCPT. In accordance with SFAS No. 144, the closing of SCPT represents a discontinued operation as of November 30, 2004. CRYO-CELL has recognized 100% of the losses of SCPT in its statements of earnings and comprehensive income as discontinued operations during the three months ended May 31, 2005 and May 31, 2004 of approximately $0 and $0, respectively, and for the six months ended May 31, 2005 and May 31, 2004 approximately $0 and $93,000, respectively.

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Note 5 Stock Options

The Company accounts for stock options under Accounting Principles Board Opinion No. 25 (APB No. 25), under which no compensation expense has been recognized as permitted by SFAS No. 123, *Accounting for Stock-Based Compensation*, (SFAS No. 123). The Company has adopted the disclosure requirements of SFAS No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure (SFAS No. 148). Certain stock options have been issued to consultants of the Company and accounted for under SFAS No. 123. The expense recognized for the three and six months ended May 31, 2005 is $3,715 and $12,628, respectively. The expense recognized for the three and six months ended May 31, 2004 is $34,035 and $37,296, respectively.

Had SFAS No. 123 been implemented, the Corporation s net income per share would have been adjusted to the amounts indicated below for the three and six months ended May 31, 2005 and May 31, 2004:

	Three Months Ended		Six Months Ended	
	May 31, 2005	May 31, 2004	May 31, 2005	May 31, 2004
Net Income, as reported	$ 115,571	$ 608,410	$ 294,197	$ 822,699
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	(114,725)	(53,978)	(164,608)	(125,501)
Pro forma net income	$ 846	$ 554,432	$ 129,589	$ 697,198
Income per share:				
Basic-as reported	$ .01	$ .05	$ .03	$ .07
Diluted-as reported	$ .01	$ .05	$ .02	$ .07
Basic-pro forma	$	$ .05	$ .01	$ .06
Diluted-pro forma	$	$ .05	$ .01	$ .06

Note 6 Marketable Securities and Other Investments

The Company has certain investments in marketable securities, which are categorized as marketable securities and other investments on the accompanying balance sheets and accounted for under SFAS No. 115, Accounting for Certain Debt and Equity Instruments (SFAS No. 115). Marketable securities were $825,601 and $1,266,909 and at May 31, 2005 and November 30, 2004. In accordance with SFAS No. 115, the Company recorded a realized loss of $3,207 for the three and six months ended May 31, 2005, and a realized gain of $0 and $2,958 for the three months and six months ended May 31, 2004, in conjunction with certain marketable securities. Included within marketable securities and other investments on the accompanying consolidated balance sheets as of May 31, 2005 and November 30, 2004 are certificates of deposits of approximately $721,000 and $1,087,000 recorded at cost.

Other Investments

The Company uses the guidance in SFAS No. 115 as described above, to account for the other investments. The fair value of other investments as of May 31, 2005 and November 30, 2004 was approximately $105,000 and $180,000, respectively, and the unrealized holding loss recorded as a component of stockholders equity on other investments was approximately $111,000 and $36,000 as of May 31, 2005 and November 30,

2004, respectively.

Note 7 Deferred Consulting Obligation

During June 2002, the Company entered into a long-term consulting agreement with the founder and prior Chairman and Chief Executive Officer to provide future consulting services to the Company. The

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Company initially recognized the present value of this agreement as a liability. In August 2004, the Company stopped making payments under the consulting agreement. This agreement was terminated and following negotiations, a new agreement was negotiated by the parties and signed on April 15, 2005. The Company commenced payments under the terms of the new agreement during the second quarter of 2005. The terms of the settlement are confidential. The present value of the new agreement has been reflected as a liability on the consolidated balance sheet as of May 31, 2005.

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

Overview

The Company is engaged in cryogenic cellular storage, with a focus on the processing and preservation of umbilical cord (U-Cord) blood stem cells for autologous/sibling use. During its history, the Company has engaged in a number of other business activities outside of its core business area, such as development of cellular storage systems, development of new business enterprises and international investments. During the past several fiscal years, the Company incurred losses, related in large part to impairment of assets related to these non-core businesses, expenses of these non-core businesses and significant litigation expenses. During fiscal 2003, the Company announced that it would focus on its core business of marketing the U-Cord storage program and increasing the number of customers enrolled, with an emphasis in the U.S. market. Since that time, management has been working to control costs and stabilize the Company s business by continuing to resolve the disputes facing the Company and by directing resources to the core business.

During the six months ended May 31, 2005, the Company increased its revenues by 19% over the level in the 2004 period and achieved net income of approximately $294,000, compared to $823,000 in the 2004 period. Net storage revenues increased because of an increase in the customer base and the effects of two price increases during 2003 and one price increase during the third quarter of 2004 for newly enrolled customers. The Company continued to be profitable mainly because the increase in revenue due to the increase in the customer base, the 2004 price increase, and recognition of $498,000 in non-cash income in the second quarter in connection with the re-negotiation of a deferred consulting agreement with a former officer, which were partially offset by the increases in cost of sales and marketing, general, and administrative expenses. The significant increase in these expenses resulted mainly from costs to enhance existing production procedures and quality systems in the processing of cord blood specimens at the Company s new state-of-the-art, current Good Manufacturing Practice and Good Tissue Practice (cGMP/cGTP)-compliant facility in Oldsmar, Florida. The Company also deployed a new customer database, new network infrastructure and implemented plans to expand sales and marketing initiatives, which increased expenses.

At May 31, 2005, the Company had cash and cash equivalents of approximately $5,419,000 and marketable securities and other investments of approximately $826,000. The Company s cash increased by approximately $681,000 during the first two quarters, as a result of its cash flow from operations and the proceeds from the exercise of stock options. As of July 13, 2005, the Company maintains no indebtedness.

Discontinued Operations

Discontinued operations consisted of SCPT, CRYO-CELL s subsidiary that was closed in 2004. See Note 4 to the Consolidated Financial Statements. In accordance with SFAS No. 144, the closing of SCPT represents a discontinued operation as of November 30, 2004. Through November 30, 2002, aggregate losses attributable to the minority interest exceeded the minority s interest in the equity capital of SCPT. As a result, minority interest on the balance sheet as of May 31, 2005 and November 30, 2004 is

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reflected at $0, and CRYO-CELL has recognized 100% of the losses of SCPT in its statements of earnings and comprehensive income as discontinued operations during the three and six months ended May 31, 2005 and May, 2004 of approximately $0 and $93,000, respectively, of which the minority interest portion is approximately $0 and $13,000, respectively.

Results of Operations Three-month period ended May 31, 2005

Revenues. Revenues for the three months ended May 31, 2005 were $3,574,369 as compared to $3,196,218 for the same period in 2004, representing a 12% increase. The increase is primarily attributable to the effects of successfully implemented price increases during 2004 for newly enrolling clients, as well as the overall increase in customer base over the prior year, which led to a significant increase in storage revenues. These increases were partially offset by an increase in sales discounts. During 2004, the Company implemented a price increase affecting its enrollment, processing and testing fees (Initial Fee). These price increases began to have a positive impact on revenues and gross profits in the third quarter 2003 and the impact has continued through the second quarter of 2005.

Cost of Sales. Cost of sales for the three months ended May 31, 2005 was $1,107,898 as compared to $742,357 for the same period in 2004, representing a 49% increase. Cost of sales were 31% of revenues for the three months ended May 31, 2005 compared with 23% for the three months ended May 31, 2004. Cost of sales as a percentage of revenue increased due to an increase in sales promotions, laboratory supplies, cord blood collection reimbursements, and salaries and wages. Cost of sales includes wages and supplies associated with new process enhancements to the existing production procedures and quality systems in the processing of cord blood specimens at the Company s facility in Oldsmar, Florida and the costs associated with storage of specimens at the Safti-Cell facility in Arizona. During the second quarter of fiscal 2005, the Company implemented a new processing methodology in accordance with emerging requirements of the American Association of Blood Banks (AABB). The new process utilizes closed-system bags rather than vial storage. Due to this transition to a new processing methodology, as well as, the enhanced level of security designed in the Company s new facility, the Company discontinued offering the dual storage service to new customers during the second quarter of fiscal 2005. The increase in the cost of laboratory supplies is a direct result of the transition to the new processing methodology.

Marketing, General and Administrative Expenses. Marketing, general and administrative expenses during the three months ended May 31, 2005 were $2,621,617 as compared to $1,596,263 for the three months ended May 31, 2004 representing a 64% increase. The increase was largely attributable to the implementation of the Company s plans to expand its sales and marketing initiatives, which resulted in a significant increase in consumer advertising. Consulting fees related to the deployment of a new customer database and Sarbanes-Oxley compliance also contributed to the increase. Marketing, general and administrative expenses were 73% of revenues for the three months ended May 31, 2005 compared to 50% for the three months ended May 31, 2004. Marketing, general and administrative expenses increased as a percentage of revenue due to the aforementioned increases, which were partially offset by the increase in revenue.

Research, Development and Related Engineering Expenses. Research, development and related engineering expenses for the three months ended May 31, 2005 were $2,204 as compared to $14,078 for the three months ended May 31, 2004, a decrease of 84%.

Interest Expense. Interest expense for the three months ended May 31, 2005 was $202,936 as compared to $191,372 for the same period in 2004. Interest expense is mainly comprised of payments made to the other parties to the Company s RSAs based on the Company s storage revenue. Prior to fiscal 2002, the Company entered into RSAs with individuals and entities for specific geographic areas. The Company s RSAs provide that in exchange for an up-front payment, the Company would share in perpetuity a percentage of its future revenue derived from the annual storage fees charged related to a certain number

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of specimens that originated from specific areas. The Company currently has four RSAs covering the following states: New York, Texas, Florida and Illinois (including contiguous states). As the Company receives annual storage fees relating to specimens from these states, the portion of the fees shared with the parties to the RSAs are recognized as interest expense. If the Company s revenues continue to increase in areas covered by RSAs, the Company s interest expense related to the RSA payments will also increase.

Also included in interest expense is the amortization of the present value of a deferred consulting agreement in the amount of $5,206 and $17,939 for the three months ended May 31, 2005 and May 31, 2004, respectively.

Licensee Income. Licensee income for the three months ended May 31, 2005, was $93,198 as compared to $76,204 for the same period in 2004. Licensee income for these periods was royalty income earned on the subsequent processing and storage of specimens in geographical areas where the Company has license agreements, and from the sale of sub-license agreements by licensees.

Equity in Losses of Affiliate. Equity in losses of affiliate was $32,812 for the three months ended May, 31, 2005, compared to $29,836 for the 2004 period. During the three months ended May 31, 2005 and May 31, 2004, the Company recorded approximately $13,000 and $12,000, respectively, in equity in losses of affiliates related to compensation expense for stock option awards that were granted by Saneron CCEL Therapeutics, Inc. (SCTI) to certain consultants and employees below fair market value.

Other Income. For the three months ended May 31, 2005, the Company recorded other income of $498,161 due to the cancellation of a deferred consulting obligation agreement. A new deferred consulting agreement was negotiated and signed during the second quarter 2005. The terms of this settlement agreement are confidential.

Results of Operations Six-month period ended May 31, 2005

Revenues. Revenues for the six months ended May 31, 2005 were $6,842,727 as compared to $5,774,027 for the same period in 2004, representing a 19% increase. The increase is primarily attributable to the effects of successfully implemented price increases during 2004 for newly enrolling clients, as well as the overall increase in customer base over the prior year, which led to a significant increase in storage revenues. These increases were partially offset by an increase in sales discounts. During 2004, the Company implemented a price increase affecting its enrollment, processing and testing fees (Initial Fee). These price increases began to have a positive impact on revenues and gross profits in the third quarter 2003 and the impact continued through the second quarter of 2005.

Cost of Sales. Cost of sales for the six months ended May 31, 2005 was $1,958,030 as compared to $1,367,509 for the same period in 2004, representing a 43% increase. Cost of sales were 29% of revenues for the six months ended May 31, 2005 compared with 24% for the six months ended May 31, 2004. Cost of sales as a percentage of revenue increased due to an increase in sales promotions and cord blood collection reimbursements. Cost of sales includes wages and supplies associated with new process enhancements to the existing production procedures and quality systems in the processing of cord blood specimens at the Company s facility in Oldsmar, Florida and the costs associated with storage of specimens at the Safti-Cell facility (a related party as of February 29, 2004) in Arizona. During the second quarter of fiscal 2005, the Company implemented a new processing methodology in accordance with emerging requirements of the American Association of Blood Banks (AABB). The new process utilizes closed-system bags rather than vial storage. Due to this transition to a new processing methodology, as well as, the enhanced level of security designed in the Company s new facility, the Company discontinued offering the dual storage service to new customers during the second quarter of fiscal 2005.

Marketing, General and Administrative Expenses. Marketing, general and administrative expenses during the six months ended May 31, 2005 were $4,652,320 as compared to $3,138,100 for the six months

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ended May 31, 2004 representing a 48% increase. The increase was largely attributable to the implementation of the Company s plans to expand its sales and marketing initiatives, which resulted in a significant increase in consumer advertising. Consulting fees related to the deployment of a new customer database and Sarbanes-Oxley compliance also contributed to the increase. Marketing, general and administrative expenses were 68% of revenues for the six months ended May 31, 2005 compared to 54% for the six months ended May 31, 2004. Marketing, general and administrative expenses increased as a percentage of revenue due to the aforementioned increases, which were partially offset by the increase in revenue.

Research, Development and Related Engineering Expenses. Research, development and related engineering expenses for the six months ended May 31, 2005 were $16,068 as compared to $54,439 for the three months ended May 31, 2004, a decrease of 70%.

Interest Expense. Interest expense for the six months ended May 31, 2005 was $390,763 as compared to $367,484 for the same period in 2004. Interest expense is mainly comprised of payments made to the other parties to the Company s RSAs based on the Company s storage revenue. Prior to fiscal 2002, the Company entered into RSAs with individuals and entities for specific geographic areas. The Company s RSAs provide that in exchange for an up-front payment, the Company would share in perpetuity a percentage of its future revenue derived from the annual storage fees charged related to a certain number of specimens that originated from specific areas. The Company currently has four RSAs covering the following states: New York, Texas, Florida and Illinois (including contiguous states). As the Company receives annual storage fees relating to specimens from these states, the portion of the fees shared with the parties to the RSAs are recognized as interest expense. If the Company s revenues continue to increase in areas covered by RSAs, the Company s interest expense related to the RSA payments will also increase. Also included in interest expense is the amortization of the present value of a deferred consulting agreement in the amount of $5,206 and $39,356 for the six months ended May 31, 2005 and May 31, 2004, respectively.

Licensee Income. Licensee income for the six months ended May 31, 2005, was $197,954 as compared to $153,439 for the same period in 2004. Licensee income for these periods was royalty income earned on the subsequent processing and storage of specimens in geographical areas where the Company has license agreements, and from the sale of sub-license agreements by licensees.

Settlement on Insurance Claim. For the six months ended May 31, 2004, the Company received $135,338 as settlement to an insurance claim for reimbursement of a portion of the legal and settlement fees pertaining to settled lawsuits filed by the Company s former President and Chief Operating Officer.

Equity in Losses of Affiliate. Equity in losses of affiliate was $53,847 for the six months ended May 31, 2005, compared to $36,449 for the 2004 period. During the six months ended May 31, 2005 and May 31, 2004, the Company recorded approximately $23,000 and $24,000, respectively, in equity in losses of affiliates related to compensation expense for stock option awards that were granted by Saneron CCEL Therapeutics, Inc. (SCTI) to certain consultants and employees below fair market value.

Other Income. For the six months ended May 31, 2005, the Company recorded other income of $498,161 due to the cancellation of a deferred consulting obligation agreement. A new deferred consulting agreement was negotiated and signed during the second quarter 2005. The terms of this settlement agreement are confidential.

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Liquidity and Capital Resources

Through May 31, 2005, the Company s sources of cash have been from sales of its U-Cord program to customers, the sale of license agreements and proceeds from RSAs. Currently, the Company s cash flow is derived primarily from sales relating to its storage services, including the Initial Fee and ongoing storage fees.

At May 31, 2005, the Company had cash and cash equivalents of $5,418,653 as compared to $4,737,368 at November 30, 2004. The increase in cash and cash equivalents during the six months ended May 31, 2005 was primarily attributable to the following:

Cash provided by operating activities for the six months ended May 31, 2005 amounted to $685,561, which was primarily attributable to the Company s operating activities including licensing fees, a price increase, and an increase in recurring revenue from the current client base.

Cash used in investing activities for the six months ended May 31, 2005 amounted to $138,127, which was primarily attributable to the purchase of approximately $522,000 of software, furniture, and equipment, offset by the $363,000 of proceeds received for the redemption of marketable securities.

Cash provided by financing activities for the six months ended May 31, 2005 amounted to $133,851, which consisted primarily of proceeds provided by the exercise of stock options.

The Company also has certain investments in marketable securities and certificates of deposit, totaling $825,601 at May 31, 2005.

The Company does not have a line of credit or other type of financing instrument. Capital expenditures for the Company s new facility were funded from cash flow from operations. The Company anticipates making capital expenditures of approximately $700,000 over the next twelve months.

The Company anticipates that its cash and cash equivalents, marketable securities and cash flows from operations will be sufficient to fund its operations for at least the next 12 to 18 months. Cash flows from operations will depend primarily upon increasing revenues from sales of its umbilical cord blood cellular storage services and controlling expenses. The Company has attempted to focus its capital resources on its core business of cellular storage services by de-emphasizing certain non-core business activities and through settlement of some of its legal disputes. The adequacy of the Company s cash resources will depend to some extent on its ability to further reduce legal expenses resulting from continuing legal disputes and to minimize the impact of legal settlements or judgments from these disputes.

Critical Accounting Policies

The preparation of consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the consolidated financial statements and accompanying notes. The SEC has defined a company s critical accounting policies as the ones that are most important to the portrayal of the company s financial condition and results of operations, and which require the company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. The Company believes that its estimates and assumptions are reasonable under the circumstances; however, actual results may vary from these estimates and assumptions. We have identified the following critical accounting policies that affect the more significant judgments and estimates used in the preparation of the consolidated financial statements.

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Reclassifications

Reclassifications have been made to the consolidated financial statements for the three and six months ended May 31, 2004 to conform to the May 31, 2005 presentation.

Revenue Recognition

Enrollment fee revenue and the related direct incremental costs associated with these fees are deferred and recognized once the processing of the specimens is completed.

The Company records revenue from processing and storage of specimens. The Company recognizes revenue from processing fees upon completion of processing and cellular storage fees ratably over the contractual storage period. The Company also records revenue from shipping and handling when earned. Shipping and handling costs are expensed and included in cost of sales.

Accounts Receivable

Accounts receivable are recorded at their net realizable value. During the second quarter of fiscal 2005, the Company changed its methodology regarding the recording of its allowance for doubtful accounts. As a result, the Company s allowance for doubtful accounts increased during the second quarter of fiscal 2005.

Income Taxes

Under the asset and liability method of SFAS No. 109 Accounting for Income Taxes , deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. A valuation allowance covering the net deferred tax assets of the Company as of May 31, 2005 and November 30, 2004, has been provided as the Company does not believe it is more likely than not that the future income tax benefits will be realized.

Investment in Saneron

The Company made a significant investment in an entity that is involved in the area of stem cell research. The Company accounts for this investment under the equity method, and at least annually, reviews its investment for possible impairment and, if necessary, adjusts the carrying value of such investment.

Revenue Sharing Agreements

The Company has entered into Revenue Sharing Agreements (RSAs) with various parties whereby these parties contracted with the Company for a percentage of future storage revenues the Company generates from clients in specific geographical areas. The parties typically pay the Company a non-refundable up-front fee for the rights to these future payments. The Company had recognized these non-refundable fees as a long-term liability. Given the criteria under which these RSAs are established, cash receipts from these contracts can fluctuate from period to period. The Company periodically, and at least annually, reviews its RSAs receivables for collectibility. All payments made to the other parties to the RSAs are recognized as interest expense. At such time as the total payments can be determined, the Company will commence amortizing these liabilities under the effective interest method.

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License and Royalty Agreements

The Company enters into licensing agreements with certain investors in various international markets in an attempt to capitalize on the Company s technology. The investors typically pay a licensing fee to receive Company marketing programs, technology and know-how in a selected area. The investor may be given a right to sell sub-license agreements as well. As part of the accounting for the up-front license revenue, revenue from the up-front license fee is recognized based on such factors as when the payment is due, collectibility and when all material services or conditions relating to the sale have been substantially performed based on the terms of the agreement.

In addition to the license fee, the Company earns royalties on subsequent processing and storage revenues by the investor in the selected area and a fee on any sub-license agreements that are sold by the investor where applicable. As part of the accounting for royalty revenue, the Company uses estimates and judgments in determining the timing and amount of royalty revenue to recognize. The Company periodically reviews license and royalty receivables for collectibility and, if necessary, will record an expense for an allowance for an uncollectible account.

Marketable Securities and Other Investments

The Company has certain investments in certificates of deposit, and equity securities, which are categorized as marketable securities and other investments. The Company believes these are conservative investments with a low risk for any loss of principal. The Company regularly assesses its marketable security investments for impairments and adjusts its investment strategy, as it deems appropriate.

Litigation

The Company is periodically involved in litigation and regulatory proceedings incidental to the conduct of our business and the Company expects that it will be involved in such litigation and regulatory proceedings from time to time. The Company regularly reviews any such litigation and regulatory proceedings for possible adverse outcomes, and provides estimates for the possible liability to the Company from such adverse outcomes, as it considers appropriate.

Deferred Consulting Fees

The Company entered into a long-term consulting agreement with the founder and prior Chairman and Chief Executive Officer to provide future consulting services to the Company. The Company initially recognized the present value of this agreement as a liability. In August 2004, the Company stopped making payments under the consulting agreement. This agreement was terminated and following negotiations, a new agreement was negotiated by the parties and signed on April 15, 2005. The Company commenced payments under the terms of the new agreement during the second quarter of 2005. The terms of the settlement are confidential. The present value of the new agreement has been reflected as a liability on the consolidated balance sheet as of May 31, 2005.

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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 of 1933, as amended and Section 21E of the Securities Exchange Act of 1934. The terms CRYO-CELL International, Inc., CRYO-CELL Company, we, our and refer to CRYO-CELL International, Inc. The words expect, believe, goal, plan, intend, estimate and similar expressions and variations the 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 future performance and operating results;

(ii) our future operating plans;

(iii) our liquidity and capital resources; and

(iv) our legal proceedings;

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 adverse effect or limitations caused by recent increases in government regulation of stem cell storage facilities;

(ii) any increased competition in our business;

(iii) any decrease or slowdown in the number of people seeking to store umbilical cord blood stem cells or decrease in the number of people paying annual storage fees;

(iv) any adverse impacts on revenue or operating margins due to the costs associated with increased growth in our business, including the possibility of unanticipated costs relating to the operation of our new facility;

(v) any technological breakthrough that would render the Company s business of stem cell preservation obsolete;

(vi) any material failure or malfunction in our storage facilities; any natural disaster such as a tornado, other disaster (fire) or act of terrorism that adversely affects stored specimens; the costs associated with defending or prosecuting litigation matters and any material adverse result for such matters;

(vii) any decreases in asset valuations; any continued negative effect from adverse publicity in the past year regarding the Company s business operations;

(viii) any negative consequences resulting from deriving, shipping and storing specimens at a second location;

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(ix) any negative effect from the filed class action shareholder lawsuits; and

(x) other risks and uncertainties.

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.

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 Annual Report on Form 10-KSB filed by the Company and any Current Reports on Form 8-K filed by the Company.

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Item 3. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on their most recent review, as of the end of the period covered by this report, the Company s principal executive officer and principal financial officer have concluded that the Company s disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the Company s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure and are effective to ensure that such information is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms. There were no significant changes in the Company s internal controls or in other factors that could significantly affect those controls subsequent to the date of their evaluation.

Limitations on the Effectiveness of Controls

Our management, including our CEO and CFO, does not expect that our Disclosure Controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management or board override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Incorporated by reference to Part I. Financial Statements-Notes to Condensed Consolidated Financial Statements Note 3.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

31.1	Certification of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K.

Form 8-K filed on July 15 2005, reporting under Items 7 and 12 the results of operations and financial conditions for the six months ended May 31, 2005.

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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/ MERCEDES WALTON

Mercedes Walton
Interim Chief Executive Officer

CRYO-CELL International, Inc.

/s/ JILL TAYMANS

Jill M. Taymans
Vice President, Finance

Date: July 15, 2005