

ISOLAGEN INC
Form 4
June 13, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
CIALLELLA SUSAN STRANAHAN

(Last) (First) (Middle)

107 STONEPINE DRIVE

(Street)

KENNETT SQUARE, PA 19348

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ISOLAGEN INC [ILE]

3. Date of Earliest Transaction (Month/Day/Year)
06/12/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
____ Officer (give title below) Other (specify below)
Former Director and Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (D) | Price |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. F... |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--------------|--|---|---------|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--------------|--|---|---------|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--------------------------------------|------------------------------|------------------|---|------|---|-----|-----|------------------|-----------------|--------------|----------------------------|
| Employee Stock Option (Right to Buy) | \$ 1.89 | | | | | | | (1) | 04/13/2016 | Common Stock | 160,000 |
| Employee Stock Option (Right to Buy) | \$ 4.7 | | | | | | | (2) | 04/28/2015 | Common Stock | 300,000 |
| Employee Stock Option (Right to Buy) | \$ 1.88 | | | | | | | (3) | 06/05/2016 | Common Stock | 300,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CIALLELLA SUSAN STRANAHAN 107 STONEPINE DRIVE KENNETT SQUARE, PA 19348 | | | Former Director and Officer | |

Signatures

/s/ Susan Stranahan
Ciallella 06/12/2007

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- The reported transactions involved amendments and modifications to certain outstanding option grants. The Company and Ms. Ciallella entered into a Settlement Agreement and Release, dated as of June 8, 2007 (the "Settlement Agreement"). Under the original terms of this
- (1) option grant, the option was to vest in 12 equal installments on a quarterly basis over a three year period commencing July 13, 2006. Pursuant to the terms of the Settlement Agreement, the amount is fully vested and will expire 10 years from the date of its original issue date.

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- (2) This option is fully vested and will expire 10 years from the date of its original issue date. The terms of this option was not modified by the Settlement Agreement.

Pursuant to the terms of the Settlement Agreement, the number of shares of the Company's common stock subject to the June 2006

- (3) Non-Qualified Stock Option grant was reduced from 400,000 to 300,000 shares, This option is fully vested and will expire 10 years from the date of its original issue date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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