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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re	:	Chapter 11
	:	Case No. 09- <u>12072</u> ( )
Isolagen, Inc., <i>et al.</i> , <sup>1</sup>	*	
	:	Joint Administration Pending
Debtors.	:	
	:	

**APPLICATION OF DEBTORS PURSUANT TO 11 U.S.C. § 327(e) FOR AUTHORITY  
TO EMPLOY AND RETAIN COZEN O'CONNOR AS SPECIAL CORPORATE  
COUNSEL FOR THE DEBTORS *NUNC PRO TUNC TO THE PETITION DATE***

Isolagen, Inc. and Isolagen Technologies, Inc., the above-captioned debtors and debtors in possession (collectively, the "Debtors"), hereby apply (the "Application") pursuant to section 327(e) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for authority to employ and retain Cozen O'Connor ("Cozen") as special corporate counsel for the Debtors *nunc pro tunc* to the Petition Date (defined herein), and in support hereof, respectfully represent as follows:

**Introduction**

1. On the date herein (the "Petition Date"), each of the Debtors filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code.
2. The Debtors continue to manage and operate their business as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.
3. This Court has jurisdiction to hear the Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

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<sup>1</sup> The Debtors are Isolagen, Inc., tax identification number \*\*-\*\*\*6974, and Isolagen Technologies, Inc., tax identification number \*\*-\*\*\*6974.

4. The statutory basis for the relief requested herein is section 327(e) of the Bankruptcy Code.

#### **Background**

5. The factual background of the Debtors, including their business operations, their capital and debt structure, and the events leading to the filing of these bankruptcy cases, is set forth in detail in the Declaration of Declan Daly in Support of Debtors' Chapter 11 Petitions and First Day Relief (the "First Day Declaration"), filed concurrently herewith and fully incorporated herein by reference.<sup>2</sup>

#### **Cozen's Historical Representation of the Debtors**

6. Cozen has served as the Debtors' outside general counsel for a period of four years. The Debtors do not have an internal legal department and, accordingly, Cozen lawyers have become intimately familiar with the operations of the Debtors and have been involved in the negotiation and implementation of a myriad of contracts and other business functions throughout the Debtors' organization. As is described in more detail below, Cozen has effectively been involved in all aspects of legal services and counseling to the Debtors. Cozen has established a significant knowledge base regarding the Debtors, which can neither practically nor economically be transferred to alternative counsel at a time when the Debtors most require knowledgeable advice and counseling.

7. Cozen does not hold any interest adverse to the Debtors or the estates with respect to any matter on which Cozen is to be employed and accordingly, is qualified to serve as special counsel under Section 327(e) of the Bankruptcy Code. However, in the interest of full

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<sup>2</sup> All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

disclosure, Cozen hereby discloses that one of its members, Ralph DeMartino, served as a member of the Board of Directors of Isolagen, Inc. from December 2002 to June 2008.

**Relief Requested**

8. By this Application, the Debtors seek to employ and retain Cozen pursuant to section 327(e) of the Bankruptcy Code as their special corporate counsel in connection with the above-captioned bankruptcy cases, effective as of the Petition Date.

**Basis for Relief**

9. The Debtors seek to retain Cozen as its special corporate counsel because of Cozen's extensive general experience and knowledge with respect to corporate governance issues, and further, because of Cozen's familiarity with the business operations of the Debtors. The Debtors believe that Cozen is both well-qualified and uniquely able to represent it in these cases in a most efficient and timely manner.

10. Cozen has represented the Debtors prior to the Petition Date in connection with numerous areas and attendant legal issues, including, but not limited to, (i) general corporate; (ii) securities matters, including SEC filings; (iii) copyright and trademark; (iv) labor, employment and employee benefits; (v) general litigation; (vi) licensing, insurance and vendor issues; (vii) negotiation of credit agreements; (viii) statutory compliance counseling; and (ix) the Debtors' prepetition efforts to avoid a chapter 11 filing.

11. As set forth in the declaration of Cavas S. Pavri (the "Pavri Declaration"), attorneys at Cozen are intimately familiar with the Debtors' business operations and are best suited to continue providing these various services to the Debtors. Accordingly, the retention of Cozen as special corporate counsel will contribute greatly to the efficient administration of the

Debtors' estates and the realization of the Debtors' objective of maximizing the value of the bankruptcy estates and emerging as a viable enterprise.

12. The Debtors believe Cozen has already demonstrated and will continue to provide considerable experience in the myriad of legal matters affecting the Debtors and is well-qualified to represent the Debtors in connection with these cases due to the firm's historical knowledge, general expertise and specific experience with the Debtors.

13. Cozen will work closely with Ciardi, as proposed counsel to the Debtors, to ensure that the tasks discretely related to the bankruptcy process are appropriately handled by Ciardi. It is axiomatic for a company in Chapter 11 that the color of bankruptcy permeates all aspects of its business. Where the lines between bankruptcy processes and operational issues necessarily blur, Cozen and Ciardi will endeavor to accomplish the objectives of the Debtors, as debtors in possession, in compliance with the Bankruptcy Code by working efficiently, avoiding duplication of effort, and conducting themselves in the best interests of the estates.

14. The services of Cozen are necessary to enable the Debtors to execute faithfully their duties as debtors and debtors in possession. The Debtors seek to retain Cozen to continue representing the Debtors and serve their general legal needs in the areas outlined in paragraph 10 of this Application and to assist Ciardi, proposed general bankruptcy counsel for the Debtors, in connection with such matters on an as needed basis and as the Debtors shall direct from time to time.

15. It is necessary that the Debtors employ attorneys to render the foregoing professional services. Cozen has stated its desire and willingness to act in this case and render the necessary professional services as attorneys for the Debtors.

16. Cozen has advised the Debtors that Cozen's hourly rates range from \$230 to \$615 per hour for attorneys and from \$165 to \$210 per hour for paraprofessionals. The Debtors submit that Cozen's customary hourly rates are reasonable.

17. No previous application for relief sought herein has been made to this or any other Court.

18. Cozen has neither shared nor agreed to share with any other person compensation received or to be received in this case, other than as permitted by the Bankruptcy Code.

19. Accordingly, the Debtors submit that Cozen's representation of the Debtors is permissible under section 327(e) of the Bankruptcy Code and is in the best interest of all creditors of the estates.

#### **Notice**

20. Notice of this Motion has been provided to: (i) the Office of the United States Trustee; (ii) the Debtors' twenty (20) largest unsecured creditors on a consolidated basis; and (iii) counsel to the agents for the Debtors' proposed post-petition lenders. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

**Conclusion**

WHEREFORE, the Debtors respectfully request the relief requested herein and such other and further relief as is just and proper.

JUNE 15, 2009

ISOLAGEN, INC. and ISOLAGEN  
TECHNOLOGIES, INC.

*Declan Daly*

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Declan Daly, CEO