

MICHAELS STORES INC

Form 4

July 26, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
WYLY SAMUEL EVANS

(Last) (First) (Middle)

300 CRESCENT COURT, SUITE
1000

(Street)

DALLAS, TX 75201

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

MICHAELS STORES INC [MIK]

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

07/24/2006

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)

Chairman of the Board

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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	07/24/2006		M		200,000	A	\$ 10.49
Common Stock					400,000	I	By Partnership (1) (2)
Common Stock					27,740	I	By Spouse
Common Stock					149,572	I	By Trust (1) (3)
Common Stock					149,572	I	By Trust (1) (4)

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Common Stock 2,142,600 I By Foreign Entity (1) (5)

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

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(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 (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option (Right to Buy)	\$ 10.49	07/24/2006		M	200,000	<u>(6)</u> 07/30/2006	Common Stock 200,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
WYLY SAMUEL EVANS 300 CRESCENT COURT SUITE 1000 DALLAS, TX 75201	X Chairman of the Board

Signatures

/s/ Eric Markus, Attorney-in-Fact for Sam Wyly 07/26/2006

**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).

- Notwithstanding the inclusion of the securities reported in this Form 4, the Reporting Person disclaims beneficial ownership of the
- (1) securities held in the various trusts (and the subsidiaries thereof) mentioned in this report, except to the extent of his pecuniary interest in them.
 - (2) Represents shares held by Tallulah, Ltd., a domestic limited partnership of which the Reporting Person is a general partner.

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- (3) Represents shares held by the Christiana Parker Wyly Trust, of which the Reporting Person is the trustee.
- (4) Represents shares held by the Andrew David Sparrow Wyly Trust, of which the Reporting Person is the trustee.
- (5) Represents shares held by subsidiaries formed under the laws of the Isle of Man. Each subsidiary is owned by a foreign trust that either (i) was formed by the Reporting Person, and/or (ii) benefits, inter alia, the Reporting Person, his spouse, and his issue.
- (6) Represents options granted under Michaels Stores, Inc. 1997 Stock Option Plan (exempt); 16,666 of which vested on each of July 31, 2002 and 2003, and 16,667 of which vested on July 31, 2004.

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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