

WYLY JR CHARLES J
Form 4
January 11, 2005

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 *
WYLY JR CHARLES J

(Last) (First) (Middle)

8000 BENT BRANCH DRIVE

(Street)

IRVING, TX 75063

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
MICHAELS STORES INC [MIK]

3. Date of Earliest Transaction
(Month/Day/Year)
12/16/2004

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		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)			
Common Stock	12/16/2004		G	V	10,300	D	\$ 0 405,312	I	By Trust ⁽¹⁾
Common Stock	12/16/2004		G	V	5,000	D	\$ 0 402,080	I	By Trust ⁽²⁾
Common Stock	12/20/2004		G	V	5,000	D	\$ 0 282,876	I	By Trust ⁽³⁾
Common Stock	12/21/2004		G	V	5,000	D	\$ 0 410,208	I	By Limited Partnership ⁽⁴⁾
Common Stock	01/07/2005		M		200,000	A	\$ 8.75 200,200	D	

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- (2) Represents shares held by the Jennifer Lynn Wyly Trust of which the reporting person is the trustee.
- (3) Represents shares held by the Martha Caroline Wyly Trust of which the reporting person is the trustee.
- (4) Represents shares held by Shadywood USA, Ltd., a limited partnership of which the reporting person is a general partner.
200,000 shares of Michaels Stores, Inc. common stock were acquired by the reporting person upon the exercise of stock options, and the
- (5) exercise price of those stock options was paid by surrendering to Michaels Stores, Inc. 57,471 shares of Michaels Stores, Inc. common stock that would otherwise be issuable to the reporting person in connection with the exercise of the stock options.
- (6) Represents shares held by Stargate, Ltd., a limited partnership, the general partner of which is a trust of which the reporting person is one of the trustees.
Exercise of stock options pursuant to original grant to the reporting person on August 31, 2000 of options under the Michaels Stores, Inc. Amended and Restated 1997 Stock Option Plan to purchase 200,000 shares of Michaels Stores, Inc. common stock (adjusted to give
- (7) effect to a two-for-one stock split to stockholders of record as of the close of business on each of November 12, 2001 and September 27, 2004). The options associated with this grant vested immediately upon grant. After giving effect to the transaction that is the subject of this report, no options remain outstanding under this grant.

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