

MICHAELS STORES INC
Form 4
October 19, 2006

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
WYLY JR CHARLES J

(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)

10/17/2006

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)
Common Stock					900	D ⁽¹⁾	
Common Stock	10/17/2006		G	V 160,000 D \$ 0	410,039	I ⁽¹⁾	By Partnership ⁽²⁾
Common Stock	10/17/2006		G	V 12,000 D \$ 0	348,208	I ⁽¹⁾	By Partnership ⁽³⁾
Common Stock	10/17/2006		G	V 12,000 D \$ 0	270,876	I ⁽¹⁾	By Trust ⁽⁴⁾
	10/17/2006		G	V 40,000 D \$ 0	315,312	I ⁽¹⁾	By Trust ⁽⁵⁾

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Common
Stock

Common Stock 10/17/2006 G V 12,000 D \$ 0 340,080 I ⁽¹⁾ By Trust ⁽⁶⁾

Common Stock 2,867,204 I ⁽¹⁾ By Foreign Entity ⁽⁷⁾

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 6)
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Reporting Owners

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

Signatures

/s/ Eric Markus, Attorney-in-Fact for Charles Wyly 10/18/2006
 **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 Stargate, Ltd. The Reporting Person is a co-trustee of the trust that is the general partner of Stargate, Ltd.
- (3) Represents shares held by Shadywood USA, Ltd., a limited partnership of which the Reporting Person is a general partner.
- (4) Represents shares held by the Martha Caroline Wyly Trust, of which the Reporting Person is the trustee.
- (5) Represents shares held by the Charles J. Wyly III Trust, of which the Reporting Person is the trustee.
- (6) Represents shares held by the Jennifer Lynn Wyly Trust, of which the Reporting Person is the trustee.
- (7) 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.

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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