

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 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)  
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)  
Vice-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 Ownership (Instr. 4)
Common Stock					1,338,351	D <sup>(1)</sup>	
Common Stock					400,000	I <sup>(1)</sup>	By Partnership <sup>(2)</sup>
Common Stock					27,740	I <sup>(1)</sup>	By Spouse
Common Stock	10/17/2006		G V	4,100 D \$ 0	145,472	I <sup>(1)</sup>	By Trust <sup>(3)</sup>
Common Stock					149,572	I <sup>(1)</sup>	By Trust <sup>(4)</sup>

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

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

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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 Following Transaction (Instr. 6)
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Reporting Owners

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

Signatures

/s/ Eric Markus, Attorney-in-Fact for Sam 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 Tallulah, Ltd., a domestic limited partnership of which the Reporting Person is a general partner.

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- (3) Represents shares held by Christiana Parker Wyly Trust, of which the Reporting Person is the trustee.
- (4) Represents shares held by 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.

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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