

Crombie Nicholas E
Form 4
May 25, 2007

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 *
Crombie Nicholas E

(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 [N/A]

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

05/23/2007

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)

EVP - Store Operations

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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	(D)	Price

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

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SEC 1474
(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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			Code	V	(A)	(D)			
Stock Option (Right to Buy)	\$ 15	05/23/2007	A		113,549	<u>(1)</u>	05/22/2015	Common Stock	113,549
Stock Option (Right to Buy)	\$ 22.5	05/23/2007	A		113,549	<u>(1)</u>	05/22/2015	Common Stock	113,549
Stock Option (Right to Buy)	\$ 30	05/23/2007	A		28,387	<u>(1)</u>	05/22/2015	Common Stock	28,387
Stock Option (Right to Buy)	\$ 37.5	05/23/2007	A		28,387	<u>(1)</u>	05/22/2015	Common Stock	28,387
Stock Option (Right to Buy)	\$ 45	05/23/2007	A		28,387	<u>(1)</u>	05/22/2015	Common Stock	28,387
Stock Option (Right to Buy)	\$ 52.5	05/23/2007	A		28,387	<u>(1)</u>	05/22/2015	Common Stock	28,387

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Crombie Nicholas E 8000 BENT BRANCH DRIVE IRVING, TX 75063			EVP - Store Operations	

Signatures

/s/ Greg A. Burmeister, Attorney-in-Fact for Nicholas E. Crombie, Executive Vice President - Store Operations	05/25/2007
<u> </u> 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).

Grant of stock option to the reporting person on May 23, 2007 under the Michaels Stores, Inc. 2006 Equity Incentive Plan (exempt). The
(1) stock option vests and becomes exercisable with respect to 20% of the shares of common stock subject to the option on each of the first, second, third, fourth and fifth anniversaries of the date of grant.

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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