

WYLY JR CHARLES J
Form 4
July 12, 2006

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)

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)
07/10/2006

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)

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	07/10/2006		M		400,000	A	\$ 10.49
Common Stock	07/10/2006		M		70,000	A	\$ 10.5
Common Stock	07/10/2006		S		460,700	D	\$ 42.46
Common Stock	07/10/2006		S		9,100	D	\$ 42.47
Common Stock	07/10/2006		S		200	D	\$ 42.48

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Common Stock	570,039	I <u>(1)</u>	By Partnership <u>(2)</u>
Common Stock	360,208	I <u>(1)</u>	By Partnership <u>(3)</u>
Common Stock	282,876	I <u>(1)</u>	By Trust <u>(4)</u>
Common Stock	355,312	I <u>(1)</u>	By Trust <u>(5)</u>
Common Stock	352,080	I <u>(1)</u>	By Trust <u>(6)</u>
Common Stock	2,867,204	I <u>(1)</u>	By Foreign Entity <u>(7)</u>

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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 10.49	07/10/2006		M	400,000	<u>(8)</u>	07/30/2006	Common Stock	400,000
Stock Option (Right to Buy)	\$ 10.5	07/10/2006		M	70,000	<u>(9)</u>	10/05/2006	Common Stock	70,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Reporting Owners

