

WYLY SAMUEL EVANS
Form 4
January 18, 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 SAMUEL EVANS

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
8000 BENT BRANCH DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/13/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
Vice Chairman of the Board

IRVING, TX 75063

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/13/2005		M		400,000	A	\$ 8.75
Common Stock	01/13/2005		F ⁽¹⁾		112,467	D	\$ 31.12
Common Stock					149,572	I	
Common Stock					149,572	I	
Common Stock					400,000	I	

By Trust ⁽²⁾

By Trust ⁽³⁾

By Limited Partnership ⁽⁴⁾

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Common Stock 28,040 I By Spouse (5)

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 (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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option (Right to Buy)	\$ 8.75	01/13/2005		M	400,000	(6) 08/30/2005	Common Stock 400,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
WYLY SAMUEL EVANS 8000 BENT BRANCH DRIVE IRVING, TX 75063	X Vice Chairman of the Board

Signatures

/s/ Robert L. Estep Robert L. Estep, Attorney-in-Fact for Sam Wyly 01/18/2005

**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).
 - 400,000 shares of Michaels Stores, Inc. common stock were acquired by the reporting person upon exercise of stock options, and the exercise price of those stock options was paid by immediately surrendering to Michaels Stores, Inc. 112,467 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.
 - Represents shares held by the Andrew David Sparrow Wyly Trust of which the reporting person is the trustee.
 - Represents shares held by the Christina Parker Wyly Trust of which the reporting person is the trustee.

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- (4) Represents shares held by Tallulah, Ltd., a limited partnership of which the reporting person is a general and limited partner.
- (5) Represents shares held by Cheryl Wyly, the spouse of the reporting person.

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 400,000 shares of Michaels Stores, Inc. common stock (adjusted to give

- (6) 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.

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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