WYLY JR CHARLES J

Form 4

January 11, 2005

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

Common

Common

Common

Stock

Stock

Stock

12/20/2004

12/21/2004

01/07/2005

(Print or Type Responses)

	(Print or Type	Responses)										
1. Name and Address of Reporting Person * WYLY JR CHARLES J				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				3. Date of Earliest Transaction (Month/Day/Year) 12/16/2004						_X_ Director 10% OwnerX_ Officer (give title Other (specify below) Chairman of the Board		
										6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting		
	IRVING, T	TX 75063								Person		
	(City)	(State)	(Zip)	Tal	ole I - N	lon-	Derivative S	Securi	ties Acqu	ired, Disposed o	f, or Benefici	ally Owned
	1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deeme Execution any (Month/Da	Date, if	3. Transa Code (Instr.	8)	4. Securitie nor Disposed (Instr. 3, 4	d of (E))	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	12/16/2004			G	V	10,300	D	\$0	405,312	I	By Trust (1)
	Common Stock	12/16/2004			G	V	5,000	D	\$0	402,080	I	By Trust (2)

G

G

M

V 5,000

V 5,000

200,000 A

\$0

\$0

282,876

410,208

\$ 8.75 200,200

Ι

I

D

D

D

(1)

(2)

By Trust (3)

By Limited

Partnership

(4)

OMB APPROVAL

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2005

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Common Stock 01/07/2005	F(5)	57,471	D	\$ 30.45	142,729	D			
Common Stock					760,410	I	By Limited Partnership (6)		
Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.									
				-	nd to the col led in this for		SEC 1474 (9-02)		

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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)	FransactionDerivative Code Securities		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	01/07/2005		M		200,000	<u>(7)</u>	08/30/2005	Common Stock	200,000

Reporting Owners

Reporting Owner Name / Address	Relationships								
reporting 6 wher runne / runne 65	Director	10% Owner	Officer	Other					
WYLY JR CHARLES J 8000 BENT BRANCH DRIVE IRVING, TX 75063	X		Chairman of the Board						

Signatures

/s/ Elizabeth K. Giddens Elizabeth K. Giddens, Attorney-in-Fact for Charles J. Wyly, Jr. 01/11/2005

**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).
- (1) Represents shares held by the Charles J. Wyly, III Trust of which the reporting person is the trustee.

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- (2) Represents shares held by the Jennifer Lynn Wyly Trust of which the reporting person is the trustee.
- (3) Represents shares held by the Martha Caroline Wyly Trust of which the reporting person is the trustee.
- (4) Represents shares held by Shadywood USA, Ltd., a limited partnership of which the reporting person is a general partner.
- 200,000 shares of Michaels Stores, Inc. common stock were acquired by the reporting person upon the exercise of stock options, and the exercise price of those stock options was paid by surrendering to Michaels Stores, Inc. 57,471 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.
- (6) Represents shares held by Stargate, Ltd., a limited partnership, the general partner of which is a trust of which the reporting person is one of the trustees.
 - 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 200,000 shares of Michaels Stores, Inc. common stock (adjusted to give
- (7) 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.