

SANDFORT GREGORY A  
Form 4  
June 24, 2005

**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 \*  
SANDFORT GREGORY A

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)  
06/22/2005

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
EVP - General Merchandise Mgr.

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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |   |
| Common Stock                    | 06/22/2005                           |  | M                              | 16,666 A \$ 23.5  | 17,654  | D  |   |
| Common Stock                    | 06/22/2005                           |  | S                              | 300 D \$ 41.85  | 17,354  | D  |   |
| Common Stock                    | 06/22/2005                           |  | S                              | 3,766 D \$ 41.84  | 13,588  | D  |   |
| Common Stock                    | 06/22/2005                           |  | S                              | 200 D \$ 41.81  | 13,388  | D  |   |
| Common Stock                    | 06/22/2005                           |  | S                              | 7,700 D \$ 41.8   | 5,688   | D  |   |

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|              |            |   |       |   |          |                    |   |
|--------------|------------|---|-------|---|----------|--------------------|---|
| Common Stock | 06/22/2005 | S | 300   | D | \$ 41.79 | 5,388              | D |
| Common Stock | 06/22/2005 | S | 500   | D | \$ 41.78 | 4,888              | D |
| Common Stock | 06/22/2005 | S | 200   | D | \$ 41.77 | 4,688              | D |
| Common Stock | 06/22/2005 | S | 100   | D | \$ 41.73 | 4,588              | D |
| Common Stock | 06/22/2005 | S | 300   | D | \$ 41.72 | 4,288              | D |
| Common Stock | 06/22/2005 | S | 400   | D | \$ 41.71 | 3,888              | D |
| Common Stock | 06/22/2005 | S | 600   | D | \$ 41.7  | 3,288              | D |
| Common Stock | 06/22/2005 | S | 600   | D | \$ 41.55 | 2,688              | D |
| Common Stock | 06/22/2005 | S | 1,700 | D | \$ 41.54 | 988 <sup>(1)</sup> | D |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (Right to Buy)                | \$ 23.5  | 06/22/2005                           |  | M                              | 16,666  | <sup>(2)</sup> 02/05/2009                                | Common Stock  | 16,666                        |

## Reporting Owners

| Reporting Owner Name / Address                                   | Relationships |           |                                |       |
|--|---------------|-----------|--------------------------------|-------|
|  | Director      | 10% Owner | Officer                        | Other |
| SANDFORT GREGORY A<br>8000 BENT BRANCH DRIVE<br>IRVING, TX 75063 |               |           | EVP - General Merchandise Mgr. |       |

## Signatures

|   |            |
|---|------------|
| /s/ Todd J. Thorson<br>Todd J. Thorson, Attorney-in-Fact for Gregory A. Sandfort, Executive<br>Vice President - General Merchandise Manager | 06/24/2005 |
| __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).  
The amount reported consists entirely of shares of Michaels Stores, Inc. common stock acquired by the reporting person under the
- (1) Michaels Stores, Inc. Amended and Restated 1997 Employees Stock Purchase Plan (also known as the ESPP), based on a plan statement issued by the ESPP's plan administrator as of May 31, 2005.  
  
Exercise of stock options pursuant to original grant to the reporting person on February 6, 2004 of options under the Michaels Stores, Inc. Amended and Restated 1997 Stock Option Plan to purchase 50,000 shares of Michaels Stores, Inc. common stock (adjusted to give effect
  - (2) to a two-for-one stock split to stockholders of record as of the close of business on September 27, 2004). The options associated with this grant vest in three annual installments beginning on February 6, 2005. After giving effect to the transaction that is the subject of this report, 33,334 options remain outstanding under this grant, 16,667 of which will vest on each of February 6, 2006 and February 6, 2007.

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.