

MICHAELS STORES INC
Form 4
June 06, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
Cornell Brian C

(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)
06/04/2007

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)
Chief Executive Officer

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 Ownership (Instr. 4)
Common Stock/Restricted Stock ⁽¹⁾	06/04/2007		A	V	133,333 A \$ 15 133,333	D	

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)

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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)	\$ 15	06/04/2007		A		(2)	06/04/2014	Common Stock	756,989
Stock Option (Right to Buy)	\$ 22.5	06/04/2007		A		(2)	06/04/2014	Common Stock	756,989
Stock Option (Right to Buy)	\$ 30	06/04/2007		A		(2)	06/04/2014	Common Stock	189,247
Stock Option (Right to Buy)	\$ 37.5	06/04/2007		A		(2)	06/04/2014	Common Stock	189,247
Stock Option (Right to Buy)	\$ 45	06/04/2007		A		(2)	06/04/2014	Common Stock	189,247
Stock Option (Right to Buy)	\$ 52.5	06/04/2007		A		(2)	06/04/2014	Common Stock	189,247

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Cornell Brian C 8000 BENT BRANCH DRIVE IRVING, TX 75063			Chief Executive Officer	

Signatures

/s/ Robert L. Estep, Attorney-in-Fact for Brian C. Cornell, Chief Executive Officer

06/06/2007

**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) Restricted Stock Option Award of 133,333 shares on June 4, 2007 under the Michaels Stores, Inc. 2006 Equity Incentive Plan (exempt), 66,667 of which vests on June 4, 2008, and 66,666 vests on June 4, 2009 contingent upon continuous employment since the date of grant.
Grant of stock option to the reporting person on June 4, 2007 under the Michaels Stores, Inc. 2006 Equity Incentive Plan (exempt). The
- (2) 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 February 16, 2007.

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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