

ROULEAU R MICHAEL
Form 4
July 12, 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 *
ROULEAU R MICHAEL

(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 [MIK]

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

07/08/2005

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)

President and CEO

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	07/08/2005		M		22,100 A \$ 10.4925	148,257	D
Common Stock	07/08/2005		S		3,100 D \$ 40.93	145,157	D
Common Stock	07/08/2005		S		200 D \$ 40.89	144,957	D
Common Stock	07/08/2005		S		100 D \$ 40.88	144,857	D
Common Stock	07/08/2005		S		200 D \$ 40.86	144,657	D

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Common Stock	07/08/2005	S	100	D	\$ 40.85	144,557	D
Common Stock	07/08/2005	S	200	D	\$ 40.83	144,357	D
Common Stock	07/08/2005	S	400	D	\$ 40.82	143,957	D
Common Stock	07/08/2005	S	100	D	\$ 40.81	143,857	D
Common Stock	07/08/2005	S	300	D	\$ 40.8	143,557	D
Common Stock	07/08/2005	S	1,200	D	\$ 40.79	142,357	D
Common Stock	07/08/2005	S	200	D	\$ 40.77	142,157	D
Common Stock	07/08/2005	S	1,500	D	\$ 40.76	140,657	D
Common Stock	07/08/2005	S	500	D	\$ 40.75	140,157	D
Common Stock	07/08/2005	S	1,800	D	\$ 40.74	138,357	D
Common Stock	07/08/2005	S	700	D	\$ 40.73	137,657	D
Common Stock	07/08/2005	S	900	D	\$ 40.71	136,757	D
Common Stock	07/08/2005	S	600	D	\$ 40.69	136,157	D
Common Stock	07/08/2005	S	500	D	\$ 41.02	135,657	D
Common Stock	07/08/2005	S	700	D	\$ 41	134,957	D
Common Stock	07/08/2005	S	500	D	\$ 40.99	134,457	D
Common Stock	07/08/2005	S	100	D	\$ 40.98	134,357	D
Common Stock	07/08/2005	S	1,300	D	\$ 40.97	133,057	D
Common Stock	07/08/2005	S	100	D	\$ 40.96	132,957	D
Common Stock	07/08/2005	S	100	D	\$ 40.95	132,857	D
	07/08/2005	S	2,000	D	\$ 40.9	130,857	D

Common Stock							
Common Stock	07/08/2005	S	800	D	\$ 40.89	130,057	D
Common Stock	07/08/2005	S	1,000	D	\$ 40.88	129,057	D
Common Stock	07/08/2005	S	800	D	\$ 40.87	128,257	D
Common Stock	07/08/2005	S	1,800	D	\$ 40.86	126,457	D

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)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 10.4925	07/08/2005		M	22,100	⁽¹⁾ 07/30/2006	Common Stock	22,100

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ROULEAU R MICHAEL 8000 BENT BRANCH DRIVE IRVING, TX 75063			President and CEO	

Signatures

/s/ Todd J. Thorson Todd J. Thorson, Attorney-in-Fact for R. Michael Rouleau, President and Chief Executive Officer

07/12/2005

__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).

Exercise of stock options pursuant to original grant to the reporting person on July 31, 2001 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 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 vest in three annual installments beginning on July 31, 2002. After giving effect to the transaction that is the subject of this report, 350,000 options remain outstanding under this grant, all of which are currently vested.

Remarks:

This Form 4 is 1 of 2 being filed by the reporting person to report transactions executed on July 8, 2005. Multiple forms are re

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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