

DECARO THOMAS C  
Form 3  
June 24, 2005

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â DECARO THOMAS C		(Month/Day/Year)	MICHAELS STORES INC [MIK]	
(Last)	(First)	(Middle)	06/16/2005	
8000 BENT BRANCH DRIVE			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
IRVING, Â TX Â 75063			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			SVP - Inventory Management	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	106 <sup>(1)</sup>	D	Â
Common Stock	1,273	I	By 401(k) Plan <sup>(2)</sup>

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Stock Option (Right to Buy)	Â (3)	08/06/2007	Common Stock	35,000	\$ 17.05	D	Â
Stock Option (Right to Buy)	Â (4)	08/06/2008	Common Stock	35,000	\$ 17.655	D	Â
Stock Option (Right to Buy)	Â (5)	08/05/2009	Common Stock	35,000	\$ 25.59	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DECARO THOMAS C 8000 BENT BRANCH DRIVE IRVING, TX 75063	Â	Â	Â SVP - Inventory Management	Â

## Signatures

/s/ Todd J. Thorson Todd J. Thorson, Attorney-in-Fact for Thomas C. DeCaro, Senior Vice President - Inventory Management

06/24/2005

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(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) The reported amount consists entirely of shares of Michaels Stores, Inc. common stock acquired by the reporting person under the 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 administrator as of June 15, 2005.

(2) The reported amount is held by a stock fund under the Michaels Stores, Inc. Employees 401(k) Plan (also known as the 401(k) Plan) assumed to be fully invested in Michaels Stores, Inc. common stock, based on a plan statement issued by the 401(k) Plan administrator as of June 15, 2005 as an estimate of the total number of shares that would be available to the reporting person if such holdings were liquidated on that date.

(3) Grant to the reporting person on August 7, 2002 of options under the Michaels Stores, Inc. Amended and Restated 1997 Stock Option Plan to purchase 35,000 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 September 27, 2004). The options associated with this grant vest in three annual installments beginning August 7, 2003; 23,333 of which are currently vested and 11,667 of which will vest on August 7, 2005.

(4) Grant to the reporting person on August 7, 2003 of options under the Michaels Stores, Inc. Amended and Restated 1997 Stock Option Plan to purchase 35,000 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 September 27, 2004). The options associated with this grant vest in three annual installments beginning August 7, 2004; 16,666 of which are currently vested and 11,667 of which will vest on each of August 7, 2005 and August 7, 2006.

(5) Grant to the reporting person on August 6, 2004 of options under the Michaels Stores, Inc. Amended and Restated 1997 Stock Option Plan to purchase 35,000 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 September 27, 2004). The options associated with this grant vest in three annual installments; 11,666 of which will vest on August 6, 2005 and 11,667 of which will vest on each of August 6, 2006 and August 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.

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