

MICHAELS STORES INC  
 Form 4  
 October 28, 2002

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

FORM 4

Washington, D.C. 20549

OMB APPROVAL

o 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

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

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(f) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person*			2. Issuer Name and Ticker or Trading Symbol		6. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
Hanlon	Richard	E.	Michaels Stores, Inc. (MIK)		<input checked="" type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
(Last)	(First)	(Middle)			<input type="checkbox"/> Officer (give title below)	<input type="checkbox"/> Other (specify below)
5 Clarks Branch Road			3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)		4. Statement for Month/Day/Year	
(Street)					October 24, 2002	
Great Falls	Virginia	22066			5. If Amendment, Date of Original (Month/Day/Year)	
(City)	(State)	(Zip)			7. Individual or Joint/Group Filing (Check Applicable Line)	
					<input checked="" type="checkbox"/> Form filed by One Reporting Person	
					<input type="checkbox"/> 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		

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FORM 4 (Continued)

**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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date
Stock Option (Right to Buy)	\$8.953125	10/24/02		G(3)	V		10,000(1)	(2)	2/29/04
Stock Option (Right to Buy)	\$8.953125	10/24/02		G(4)	V		10,000(1)	(2)	2/29/04
Stock Option (Right to Buy)	\$8.953125	10/24/02		G(5)	V		10,000(1)	(2)	2/29/04
Stock Option (Right to Buy)	\$8.953125	10/24/02		G(5)	V		10,000(1)	(2)	2/29/04

7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
<u>                    </u> Title	Amount or Number of Shares			
Common Stock	10,000			
Common Stock	10,000			
Common Stock	10,000	20,000(1)	D	
Common Stock	10,000	10,000(1)	I	By PRH Trust

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Explanation of Responses:

- (1) Reflects a two-for-one stock split effected in the form of a stock dividend to stockholders of record as of the close of business on November 12, 2001.
- (2) Held by reporting person pursuant to original grant to reporting person on March 1, 1999 of options to purchase 50,000 shares of Michaels Stores, Inc. common stock under the 1997 Stock Option Plan (which option grant consisted of the right to purchase 100,000 shares of common stock subsequent to the two-for-one stock split issued to stockholders of record as of the close of business on November 12, 2001), all of which are currently vested.
- (3) Shares gifted by reporting person to The Alexander Blake Hanlon Irrevocable Trust.
- (4) Shares gifted by reporting person to The Joanna Brooke Hurley Irrevocable Trust.
- (5) Shares gifted by reporting person to The Patrick Reid Hanlon Irrevocable Trust, of which, reporting person and his son, Patrick Reid Hanlon, are the co-trustees.

/s/ Elizabeth K. Giddens

October 28, 2002

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\*\*Signature of Reporting Person

Date

Elizabeth K. Giddens, Attorney-in-Fact for Richard E. Hanlon

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

\* 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).

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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