

SADLER EDWARD F
Form 4
October 23, 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

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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)	
Sadler	Edward	F.	Michaels Stores, Inc. (MIK)		<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
(Last)	(First)	(Middle)			<input checked="" type="checkbox"/> Officer (give title below)	<input type="checkbox"/> Other (specify below)
8000 Bent Branch Drive			3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)		Executive Vice President - Store Operations	
(Street)						
Irving	Texas	75063	4. Statement for Month/Day/Year		5. If Amendment, Date of Original (Month/Day/Year)	
(City)	(State)	(Zip)	October 21, 2002			
					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	2A. Deemed Execution Date, if any	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)
	(Month/Day/Year)	(Month/Day/Year)	Code V	Amount	(A) Price or (D)		
Common Stock	10/21/02		M	20,000(1)	A	\$16.7813	
Common Stock	10/21/02		S	15,700(1)	D	\$46.00	
Common Stock	10/21/02		S	600(1)	D	\$46.01	
Common Stock	10/21/02		S	400(1)	D	\$46.05	

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Common Stock	10/21/02	S	100(1) D	\$46.12		
Common Stock	10/21/02	S	300(1) D	\$46.13		
Common Stock	10/21/02	S	300(1) D	\$46.14		
Common Stock	10/21/02	S	100(1) D	\$46.15		
Common Stock	10/21/02	S	2,500(1) D	\$46.20	0	D

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.

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)	\$16.7813	10/21/02		M			20,000	(2)	10/28/04

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	10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
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Following Reported (Instr. 4)
Transaction(s)
(Instr. 4)

Title	Amount or Number of Shares		
Common Stock	20,000	80,000(1)	D

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) Exercise of stock options pursuant to original grant to reporting person on October 29, 1999 of options to purchase 50,000 shares of Michaels Stores, Inc. common stock under the Michaels Stores, Inc. 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), 66,666 of which are currently vested and 33,334 of which will vest on October 29, 2002.

/s/ Elizabeth K. Giddens

October 23, 2002

**Signature of Reporting Person
Elizabeth K. Giddens, Attorney-in-Fact for Edward F. Sadler

Date

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.