

MICHAELS STORES INC  
Form 8-K  
March 30, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K  
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **March 24, 2006**

**MICHAELS STORES, INC.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-09338**  
(Commission  
File Number)

**75-1943604**  
(IRS Employer  
Identification No.)

**8000 Bent Branch Drive  
Irving, Texas 75063  
P.O. Box 619566  
DFW, Texas 75261-9566**

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(972) 409-1300**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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As of March 24, 2006, the Compensation Committee (the "Compensation Committee") of the Board of Directors of Michaels Stores, Inc. (the "Company") approved the following actions regarding certain of the Company's executive officers as set out below.

*2006 Base Compensation Determination for Executive Officers*

The Compensation Committee approved changes to the annual base compensation rates, payable during continued employment, of certain of the Company's executive officers. The following table sets forth the annual base compensation of the following executive officers of the Company for 2006 and 2005:

| Name and Position <sup>1</sup>                  | Year | Base<br>Compensation |
|---|------|----------------------|
| Jeffrey N. Boyer                                | 2006 | \$ 500,000           |
| President and Chief Financial Officer           | 2005 | \$ 375,000           |
| Gregory A. Sandfort                             | 2006 | \$ 500,000           |
| President and Chief Operating Officer           | 2005 | \$ 300,000           |
| Harvey S. Kanter                                | 2006 | \$ 350,000           |
| Executive Vice President - Chief Merchant       | 2005 | \$ 290,750           |
| Thomas M. Bazzone                               | 2006 | \$ 350,000           |
| Executive Vice President - Specialty Businesses | 2005 | \$ 285,000           |

<sup>1</sup> Each of the following officers was promoted to his current position, effective as of March 15, 2006. Accordingly, these changes in base compensation supersede the changes made by the Compensation Committee on March 14, 2006; see the Company's Form 8-K filed on March 20, 2006, SEC File No. 001-09338.

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*Fiscal Year 2006 Bonus Plans*

The Compensation Committee approved the Fiscal Year 2006 Bonus Plans for the following executive officers of the Company:

| Name                             | Position:  |
|----------------------------------|--|
| Jeffrey N. Boyer <sup>2</sup>    | President and Chief Financial Officer            |
| Gregory A. Sandfort <sup>2</sup> | President and Chief Operating Officer            |
| Harvey S. Kanter                 | Executive Vice President    Chief Merchant       |
| Thomas M. Bazzone                | Executive Vice President    Specialty Businesses |

The Fiscal Year 2006 Bonus Plans for the foregoing executive officers are attached to this Current Report on Form 8-K as Exhibits 10.1, 10.2, 10.3 and 10.4, and each is incorporated by reference into this Item 1.01.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

| Exhibit Number | Description   |
|----------------|---|
| 10.1           | Fiscal Year 2006 Bonus Plan for Jeffrey N. Boyer    |
| 10.2           | Fiscal Year 2006 Bonus Plan for Gregory A. Sandfort |
| 10.3           | Fiscal Year 2006 Bonus Plan for Harvey S. Kanter    |
| 10.4           | Fiscal Year 2006 Bonus Plan for Thomas M. Bazzone   |

<sup>2</sup> Supersedes the Fiscal Year 2006 Bonus Plans approved by the Compensation Committee on March 14, 2006; see the Company's Form 8-K filed on March 20, 2006, SEC File No. 001-09338.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MICHAELS STORES, INC.

By: /s/ Jeffrey N. Boyer  
Jeffrey N. Boyer  
President and Chief Financial Officer

Date: March 29, 2006

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