

MICHAELS STORES INC
Form 8-K
January 10, 2007

**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): **January 4, 2007**

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))

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 4, 2007, the Board of Directors (the Board) of Michaels Stores, Inc. (the Company), as well as the holders of a majority of the issued and outstanding common stock of the Company (the Stockholders), approved the following actions regarding the compensation of certain executive officers of the Company:

2007 Base Compensation Determination for Certain Executive Officers

The Board and the Stockholders approved the annual base compensation rates, payable during continued employment, of the executive officers of the Company listed below, to be effective as of December 31, 2006. The following table sets forth the annual base compensation of each such executive officer for 2006 and 2007:

Name and Position	Year	Base Compensation
Jeffrey N. Boyer President and Chief Financial Officer	2007	\$ 625,000
	2006	\$ 500,000
Gregory A. Sandfort President and Chief Operating Officer	2007	\$ 625,000
	2006	\$ 500,000
Thomas C. DeCaro Executive Vice President Supply Chain	2007	\$ 325,000
	2006	\$ 284,000

Compensation Policy Regarding Company Cars

The Board and the Stockholders approved and adopted a new Company policy concerning the provision of automobiles to certain officers of the Company, to take effect on December 31, 2006 (the Revised Compensation Policy Regarding Company Cars). Attached to this Current Report on Form 8-K as Exhibit 99.1 is a copy of the Revised Compensation Policy Regarding Company Cars, which policy is incorporated by reference into this Item 5.02.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Michaels Stores, Inc. Compensation Policy Regarding Company Cars, effective as of December 31, 2006.

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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: January 10, 2007

INDEX TO EXHIBITS

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