

Mail Stop 3561

September 7, 2006

Mr. Jeffrey N. Boyer  
President and Chief Financial Officer  
Michaels Stores, Inc.  
8000 Bent Branch Drive  
Irving, TX 75063

Re: Michaels Stores, Inc.  
Form 10-K for Fiscal Year Ended January 28, 2006  
Filed March 30, 2006  
Form 10-Q for Fiscal Quarter Ended April 29, 2006  
Filed June 13, 2006  
File No. 1-9338

Dear Mr. Boyer:

We have reviewed your response letter dated September 1, 2006 and have the following additional comments. Where indicated, we think you should revise your documents in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments we may ask you to provide us with information so we may better understand your disclosure. After reviewing this information we may raise additional comments.

Form 10-K for Fiscal Year Ended January 28, 2006

Merchandise Inventories, page 30

1. We note your response to our prior comment 1. Your description of the inventory change suggests it was a change in estimate. If so, please explain why you do not believe the disclosure required by paragraph 33 of APBO no. 20 is necessary. You state you are now using a new estimated period of benefit based on total inventory turnover for vendor allowances and that you have changed your estimate for deferral and recognition of non-distribution center costs. Your changes would appear to affect future periods. If the changes will not affect future periods, please disclose this fact and

explain to us your basis for that position. On a related point, the non-cash charge of \$15 million after tax recorded in 2005 is over 10% of net income and earnings per share for 2005. Please explain how you were able to conclude under SAB 99 that the impact of over 10% to net income in the 2005 financial statements was not material. If you cannot conclusively demonstrate immateriality under SAB 99, you should amend your filing to revise your disclosures accordingly. 2. We also note you state that only \$7 million (5.3% of net income) of the \$15 million charge relates to 2005. A change in estimate is accounted for in the period of change if the change affects that period only or the period of change and future periods. Your reference to the remaining \$8 million relating to a prior period(s) suggests that a correction of an error may have been recorded in the current period. Please advise what consideration was given to treating such change as a correction of an error as opposed to a change in estimate. Please be detailed in your analysis. If you relied on SAB Topic 5:F, please show us how you determined amounts relating to prior periods were not material. On a related point, please also explain to us how you concluded the \$8 million, net of tax, charge recorded in 2004 for rent expense and tenant allowances was not material to 2004 under SAB Topic 5:F. Please ensure your response on this point addresses any implications of a portion of the 2005 charge relating to prior periods. We may have further comment.

As appropriate, please amend your filing and respond to these comments within 10 business days or tell us when you will provide us with a response. You may wish to provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your amendment that keys your responses to our comments and provides any requested information. Detailed letters greatly facilitate our review. Please understand that we may have additional comments after reviewing your responses to our comments.

You may contact Ta Tanisha Henderson, Staff Accountant, at (202) 551-3322, or in her absence, Donna Di Silvio at (202) 551-3202 if you have questions regarding comments on the financial statements and related matters. Please contact me at (202) 551-3849 with any other questions.

Sincerely,

James Allegretto  
Senior Assistant

Chief  
Accountant

Mr. Jeffrey N. Boyer  
Michaels Stores, Inc.  
September 7, 2006  
Page 2