

August 20, 1999

**Michaels**
THE ARTS AND CRAFTS STORE[®]CERTIFIED MAIL RRR

Top Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-5644, U.S. Department of Labor
200 Constitution Avenue NW
Washington, D.C. 20210

Re: Michaels Stores, Inc.
8000 Bent Branch Drive
Irving, Texas 75063

EIN: 75-1943604

Dear Sir or Madam:

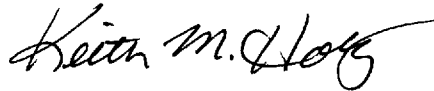
Enclosed is the statement required under Department of Labor Regulation section 2520.104-23 with respect to the Michaels Stores, Inc. Deferred Compensation Plan, adopted by Michaels Stores, Inc. effective August 1, 1999.

The Plan is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

The total number of employees currently participating in the Plan is 71. The Plan is the only top hat plan maintained by Michaels Stores, Inc. as of the date of this filing.

If you need any additional information concerning this filing, please contact the undersigned. For our records, please acknowledge receipt of this filing by date-stamping the enclosed copy of this letter and returning it in the envelope provided.

Sincerely,



Keith M. Holtz
Director of Corporate and Distribution Centers
Human Resources

Enclosures

cc: Mark V. Beasley, Esq.
James F. Carey, Esq.

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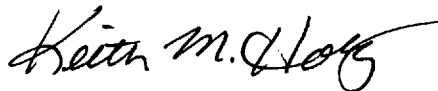
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