

CINCINNATI BELL INC
Form 4
January 06, 2010

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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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 OF SECURITIES

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(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SHUMATE ALEX

(Last) (First) (Middle)

221 EAST FOURTH STREET

(Street)

CINCINNATI, OH 45202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CINCINNATI BELL INC [CBB]

3. Date of Earliest Transaction
(Month/Day/Year)
01/04/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	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 Ownership (Instr. 4)
Common Stock ⁽¹⁾				(A) or (D) Price	20,097	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Explanation of Responses:

- * 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).
- (1) Restricted share grant under the Cincinnati Bell Inc. 2007 Stock Option Plan for Non-Employee Directors.
 - (2) Option shares granted under the 1997 Stock Option Plan for Non-Employee Directors which is a Rule 16b-3 Plan.
 - (3) Option shares granted under the 2007 Stock Option Plan for Non-Employee Directors which is a Rule 16b-3 Plan.
 - (4) One for one conversion.
 - (5) Phantom shares are payable in cash following retirement or termination of the reporting person's affiliation with the Company.
 - (6) Phantom Shares are valued at the fair market value of the Issuer's common stock on the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. tain domestic trusts for the benefit of Sam Wyly s family. Sam Wyly possessed sole voting power with respect to 802,962 shares of Common Stock and sole dispositive power with respect to 2,402,962 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 2,245,333 shares held by subsidiaries of the Foreign Trusts, or approximately 7.86% of the outstanding shares of Common Stock, including: 1) 1,345,333 shares of Common Stock; and 2) options to purchase an additional 900,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 1,266,444 shares, or approximately 4.44% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 80,000 of such shares as general partner of Brush Creek; (ii) 800,000 of such shares by virtue of his ownership of options; and (iii) an aggregate of 386,444 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr. s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 466,444 shares of Common Stock and sole dispositive power with respect to 1,266,444 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,266,801 shares held by subsidiaries of the Foreign Trusts, or 4.44% of the outstanding shares of Common Stock, including: 1) 816,801 shares of Common Stock; and 2) options to purchase an additional 450,000 shares.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 3,669,406 shares of Common Stock, or approximately 12.85% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 1,269,406 shares of Common Stock and sole dispositive power with respect to 3,669,406 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 3,512,134 shares of

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Common Stock held by subsidiaries of the Foreign Trusts, or approximately 12.30% of the outstanding shares of Common Stock.

(13) August 31, 2000:

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 1,336,822 shares, or approximately 4.02% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 172,500 of such shares held individually; (ii) 500,000 of such shares by virtue of his ownership of options to purchase Common Stock; (iii) 589,536 of such shares as the sole general partner of Tallulah, Ltd.; and (iv) an aggregate of 74,786 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Sam Wyly possessed sole voting power with respect to 836,822 shares of Common Stock and sole dispositive power with respect to 1,336,822 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 1,629,333 shares held by subsidiaries of the Foreign Trusts, or approximately 4.91% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 716,444 shares, or approximately 2.16% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 50,000 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 280,000 of such shares as general partner of Stargate, Ltd. (80,000 of which by virtue of Stargate's ownership of Common Stock, and 200,000 of which by virtue of Stargate's ownership of options); and (iii) an aggregate of 386,444 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 466,444 shares of Common Stock and sole dispositive power with respect to 716,444 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,266,801 shares held by subsidiaries of the Foreign Trusts, or 3.81% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 2,053,266 shares of Common Stock, or approximately 6.18% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 1,303,266 shares of Common Stock and sole dispositive power with respect to of 2,053,266 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 2,896,134 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 8.72% of the outstanding shares of Common Stock.

(14) As of October 4, 2001:

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 742,286 shares, or approximately 2.29% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 567,500 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 100,000 of such shares as the sole general partner of Tallulah, Ltd.; and (iii) an aggregate of 74,786 of such shares held by Sam Wyly's spouse and held by Sam Wyly as the trustee of certain domestic trusts for the benefit of his family. Sam Wyly possessed sole voting power with respect to 174,786 shares of Common Stock and sole dispositive power with respect to 742,286 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 940,600 shares held by subsidiaries of the Foreign Trusts, or approximately 2.92% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 833,944 shares, or approximately 2.57% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 167,500 of such shares by virtue of his ownership of options to purchase Common

Stock; (ii) 280,000 of such shares as general partner of Stargate, Ltd. (80,000 of which by virtue of Stargate's ownership of Common Stock, and 200,000 of which by virtue of Stargate's ownership of options); and (iii) an aggregate of 386,444 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 466,444 shares of Common Stock and sole dispositive power with respect to 833,944 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,066,801 shares held by subsidiaries of the Foreign Trusts, or 3.29% of the outstanding shares of Common Stock.

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Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 1,576,230 shares of Common Stock, or approximately 4.86% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 641,230 shares of Common Stock and sole dispositive power with respect to of 1,576,230 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 2,007,401 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 6.19% of the outstanding shares of Common Stock.

(iii) If the Reporting Persons were deemed to have beneficial ownership of the shares of Common Stock held by the subsidiaries of the Foreign Trusts on and after April 14, 1992 (subject to the assumptions set forth above), (a) the Reporting Persons would have been required to file Schedule 13D Amendments on the following dates:^{16/} May 29, 1992; June 9, 1992; July 31, 1992; August 19, 1992; November 9, 1994; March 29, 1996; December 23, 1996; June 23, 1997; June 30, 1997; July 23, 1997; December 1, 1997; January 12, 2000; April 18, 2000; May 8, 2000; September 7, 2001; November 7, 2001, and September 24, 2002; and (b) the Reporting Persons' respective and combined beneficial ownership under these assumptions as of each of these dates would have been as set forth in this paragraph (iii):

(1) As of May 29, 1992:

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 1,360,962 shares, or approximately 8.95% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 401,765 of such shares directly; (ii) 594,677 of such shares by virtue of his ownership of a controlling interest in The First Dallas Wealth Management Corporation; (iii) 7,918 of such shares as the guardian of a minor child; (iv) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (v) an aggregate of 340,766 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Of the foregoing 1,360,692 shares, Sam Wyly possessed sole voting power with respect to 766,285 shares of Common Stock and sole dispositive power with respect to 766,285 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 475,000 shares held by subsidiaries of the Foreign Trusts, or approximately 3.12% of the outstanding shares of Common Stock, including: 1) 300,000 shares of Common Stock; and 2) options to purchase an additional 175,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 1,680,100 shares, or approximately 11.04% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 788,050 of such shares directly; (ii) 561 of such shares by virtue of his holding a power of attorney to vote the shares of four adult children; and (iii) an aggregate of 891,489 of such shares as trustee of certain domestic trusts for the benefit of Charles J. Wyly Jr.'s family. Of the foregoing 1,680,100 shares, Charles J. Wyly, Jr. possessed sole voting power with respect to 1,680,100 shares of Common Stock and sole dispositive power with respect to 1,680,100 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 325,000 shares held by subsidiaries of the Foreign Trusts, or approximately 2.14% of the outstanding shares of Common Stock, including: 1) 150,000 shares of Common Stock; and 2) options to purchase an additional 175,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 3,041,062 shares of Common Stock, or approximately 19.99% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power and sole dispositive power with respect to 2,446,385 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 800,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 5.26% of the outstanding shares of Common Stock.

^{16/} The Reporting Persons filed Amendment No. 25 to the Original Schedule 13D on September 26, 1995. Although the date of event which required filing of that statement was September 5, 1995, the Amendment disclosed transactions which occurred as late as September 8, 1995. Thus, although the Reporting Persons aggregate holdings changed by more than 1% between September 5, 1995 and September 11, 1995, Item 5(a)(iii) of this Amendment does not include a separate entry for September 11, 1995 because the Reporting Persons previously disclosed their holdings as of September 8, 1995.

In addition, as noted above in Item 5(a), this Amendment No. 33 to Schedule 13D makes the simplifying assumption for reporting purposes in this Item 5(a)(iii) that all options were vested when first granted. *See* note 5 *supra*.

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(2) As of June 9, 1992:

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 1,360,962 shares, or approximately 8.95% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 401,765 of such shares directly; (ii) 594,677 of such shares by virtue of his ownership of a controlling interest in The First Dallas Wealth Management Corporation; (iii) 7,918 of such shares as the guardian of a minor child; (iv) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (v) an aggregate of 340,766 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Of the foregoing 1,360,692 shares, Sam Wyly possessed sole voting power with respect to 766,285 shares of Common Stock and sole dispositive power with respect to 766,285 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 327,000 shares held by subsidiaries of the Foreign Trusts, or approximately 2.15% of the outstanding shares of Common Stock, including: 1) 152,000 shares of Common Stock; and 2) options to purchase an additional 175,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 1,680,100 shares, or approximately 11.04% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 788,050 of such shares directly; (ii) 561 of such shares by virtue of his holding a power of attorney to vote the shares of four adult children; and (iii) an aggregate of 891,489 of such shares as trustee of certain domestic trusts for the benefit of Charles J. Wyly, Jr.'s family. Of the foregoing 1,680,100 shares, Charles J. Wyly, Jr. possessed sole voting power with respect to 1,680,100 shares of Common Stock and sole dispositive power with respect to 1,680,100 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 248,000 shares held by subsidiaries of the Foreign Trusts, or approximately 1.63% of the outstanding shares of Common Stock, including: 1) 73,000 shares of Common Stock; and 2) options to purchase an additional 175,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 3,041,062 shares of Common Stock, or approximately 19.99% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power and sole dispositive power with respect to 2,446,385 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 575,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 3.78% of the outstanding shares of Common Stock.

(3) As of July 31, 1992:

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 1,360,962 shares, or approximately 8.95% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 401,765 of such shares directly; (ii) 594,677 of such shares by virtue of his ownership of a controlling interest in The First Dallas Wealth Management Corporation; (iii) 7,918 of such shares as the guardian of a minor child; (iv) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (v) an aggregate of 340,766 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Of the foregoing 1,360,692 shares, Sam Wyly possessed sole voting power with respect to 766,285 shares of Common Stock and sole dispositive power with respect to 766,285 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 218,500 shares held by subsidiaries of the Foreign Trusts, or approximately 1.44% of the outstanding shares of Common Stock, including: 1) 43,500 shares of Common Stock; and 2) options to purchase an additional 175,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 1,680,100 shares, or approximately 11.05% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 788,050 of such shares directly; (ii) 561 of such shares by virtue of his holding a power of attorney to vote the shares of four adult children; and (iii) an aggregate of 891,489 of such shares as trustee of certain domestic trusts for the benefit of Charles J. Wyly Jr.'s family. Of the foregoing 1,680,100 shares, Charles J. Wyly, Jr. possessed sole voting power with respect to 1,680,100 shares of Common Stock and sole dispositive power with respect to 1,680,100 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 175,000 options to purchase Common Stock held by subsidiaries of the Foreign Trusts, or approximately 1.15% of the outstanding shares of Common Stock.

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Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 3,041,062 shares of Common Stock, or approximately 19.99% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power and sole dispositive power with respect to 2,446,385 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 393,500 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 2.59% of the outstanding shares of Common Stock.

(4) As of August 19, 1992:

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 1,960,962 shares, or approximately 12.89% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 401,765 of such shares directly; (ii) 600,000 shares of Common Stock by virtue of his ownership of options; (iii) 594,677 of such shares by virtue of his ownership of a controlling interest in The First Dallas Wealth Management Corporation; (iv) 7,918 of such shares as the guardian of a minor child; (v) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (vi) an aggregate of 340,766 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Of the foregoing 1,960,962 shares, Sam Wyly possessed sole voting power with respect to 766,285 shares and sole dispositive power with respect to 1,366,285 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 127,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 0.83% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 1,980,100 shares, or approximately 13.02% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 788,050 of such shares directly; (ii) 300,000 shares by virtue of his ownership of options; (iii) 561 of such shares by virtue of his holding a power of attorney to vote the shares of four adult children; and (iv) an aggregate of 891,489 of such shares as trustee of certain domestic trusts for the benefit of Charles J. Wyly, Jr.'s family. Of the foregoing 1,980,100 shares, Charles J. Wyly, Jr. possessed sole voting power with respect to 1,680,100 shares and sole dispositive power with respect to 1,980,100 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 100,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 0.66% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 3,941,062 shares of Common Stock, or approximately 25.91% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 2,446,385 shares and sole dispositive power with respect to 3,346,385 shares. In addition, the Reporting Persons may be deemed to beneficially own 227,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 1.49% of the outstanding shares of Common Stock.

(5) November 9, 1994:

Sam Wyly beneficially owned 2,534,905 shares, or approximately 11.95% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 300,000 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 1,474,536 of such shares as the sole general partner of Tallulah, Ltd. (including 874,536 shares of Common Stock and 600,000 options to purchase shares of Common Stock); (iii) 200,000 of such shares as general partner of MEF, Ltd.; (iv) 7,918 of such shares as the guardian of a minor child; (v) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (vi) an aggregate of 536,615 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Sam Wyly possessed sole voting power

with respect to 1,434,905 shares of Common Stock and sole dispositive power with respect to 2,334,905 shares of Common Stock.

Charles J. Wyly, Jr. beneficially owned 2,153,607 shares, or approximately 10.16% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 755,000 of such shares as general partner of Brush Creek; (ii) 450,000 shares by virtue of his ownership of options; (iii) 374 of such shares by virtue of his holding a power of attorney to vote the shares of four adult children; (iv) 200,000 of such shares as general partner of MEF, Ltd.; and (v) an aggregate of 748,233 of such shares as trustee of certain domestic trusts for the

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benefit of Charles J. Wyly Jr. s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 1,503,607 shares of Common Stock and sole dispositive power with respect to 1,953,607 shares of Common Stock.

The Reporting Persons as a group beneficially owned an aggregate of 4,488,512 shares of Common Stock, or approximately 21.17% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 3,138,512 shares of Common Stock and sole dispositive power with respect to 4,448,512 shares of Common Stock.

(6) As of March 29, 1996:^{17/}

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 2,568,238 shares, or approximately 11.96% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 633,333 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 1,074,536 of such shares as the sole general partner of Tallulah, Ltd.; (iii) 300,000 of such shares as general partner of MEF, Ltd.; (iv) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (v) an aggregate of 544,533 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly s family. Sam Wyly possessed sole voting power with respect to 1,634,905 of such shares of Common Stock and sole dispositive power with respect to 2,268,238 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 2,233,333 shares held by subsidiaries of the Foreign Trusts, or approximately 10.40% of the outstanding shares of Common Stock, including: 1) 1,333,333 shares of Common Stock; and 2) options to purchase an additional 900,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 2,265,024 shares, or approximately 10.54% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned: (i) 755,000 of such shares as general partner of Brush Creek; (ii) 367,417 of such shares by virtue of his ownership of options; (iii) 374 of such shares by virtue of his holding a power of attorney to vote the shares of four adult children; (iv) 300,000 of such shares as general partner of MEF, Ltd.; and (v) an aggregate of 842,233 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr. s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 1,597,607 shares of Common Stock and sole dispositive power with respect to 1,965,024 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,116,667 shares held by subsidiaries of the Foreign Trusts, or 5.20% of the outstanding shares of Common Stock, including: 1) 666,667 shares of Common Stock; and 2) options to purchase an additional 450,000 shares.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 4,533,262 shares of Common Stock, or approximately 21.10% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 3,532,512 shares of Common Stock and sole dispositive power with respect to 4,533,262 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 3,350,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 15.59% of the outstanding shares of Common Stock.

(7) As of December 23, 1996:

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 2,565,238 shares, or approximately 10.89% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 633,333 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 1,074,536 of such shares as the sole general partner of Tallulah, Ltd.; (iii) 300,000 of such shares as general

partner of MEF, Ltd.; (iv) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (v) an aggregate of 541,533 of such shares as the trustee of certain domestic trusts for the benefit

^{17/} If the Reporting Persons had been deemed beneficial owners of the shares held by subsidiaries of the Foreign Trusts, they would have been required to have filed an amendment to the Original Schedule 13D reporting transactions that took place on March 29, 1996. Although March 29, 1996 is therefore the date of the event which would have triggered the filing of an amendment, this Item (5)(a)(iii)(6) also incorporates transactions which took place on April 1, 1996 as well.

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of Sam Wyly's family. Sam Wyly possessed sole voting power with respect to 1,631,905 shares of Common Stock and sole dispositive power with respect to 2,265,238 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 3,566,666 shares held by subsidiaries of the Foreign Trusts, or approximately 15.14% of the outstanding shares of Common Stock, including: 1) 1,333,333 shares of Common Stock; and 2) options to purchase an additional 2,233,333 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 2,265,024 shares, or approximately 9.62% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 755,000 of such shares as general partner of Brush Creek; (ii) 367,417 of such shares by virtue of his ownership of options; (iii) 374 of such shares by virtue of his holding a power of attorney to vote the shares of four adult children; (iv) 300,000 of such shares as general partner of MEF, Ltd.; and (v) an aggregate of 842,233 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 1,597,607 shares of Common Stock and sole dispositive power with respect to 1,965,024 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,783,334 shares held by subsidiaries of the Foreign Trusts, or 7.57% of the outstanding shares of Common Stock, including: 1) 666,667 shares of Common Stock; and 2) options to purchase an additional 1,116,667 shares.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 4,530,262 shares of Common Stock, or approximately 19.23% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 3,529,512 shares of Common Stock and sole dispositive power with respect to 4,530,262 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 5,350,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 22.71% of the outstanding shares of Common Stock.

(8) As of June 23, 1997:

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 2,565,238 shares, or approximately 9.81% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 633,333 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 1,074,536 of such shares as the sole general partner of Tallulah, Ltd.; (iii) 300,000 of such shares as general partner of MEF, Ltd.; (iv) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (v) an aggregate of 541,533 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Sam Wyly possessed sole voting power with respect to 1,631,905 shares of Common Stock and sole dispositive power with respect to 2,265,238 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 3,048,466 shares held by subsidiaries of the Foreign Trusts, or approximately 11.66% of the outstanding shares of Common Stock, including: 1) 2,148,466 shares of Common Stock; and 2) options to purchase an additional 900,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 2,265,024 shares, or approximately 8.66% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned: (i) 755,000 of such shares as general partner of Brush Creek; (ii) 367,417 of such shares by virtue of his ownership of options; (iii) 374 of such shares by virtue of his holding a power of attorney to vote the shares of four adult children; (iv) 300,000 of such shares as general partner of MEF, Ltd.; and (v) an aggregate of 842,233 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 1,597,607 shares of Common Stock and sole dispositive power with respect to 1,965,024 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be

deemed to beneficially own 1,783,334 shares held by subsidiaries of the Foreign Trusts, or 7.57% of the outstanding shares of Common Stock, including: 1) 1,333,334 shares of Common Stock; and 2) options to purchase an additional 450,000 shares.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 4,530,262 shares of Common Stock, or approximately 17.32% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 3,529,512 shares of Common Stock and sole dispositive power with respect to 4,530,262 shares of

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Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 4,831,800 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 18.48% of the outstanding shares of Common Stock.

(9) As of June 30, 1997:^{18/}

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 2,565,238 shares, or approximately 9.81% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 633,333 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 1,074,536 of such shares as the sole general partner of Tallulah, Ltd.; (iii) 300,000 of such shares as general partner of MEF, Ltd.; (iv) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (v) an aggregate of 541,533 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Sam Wyly possessed sole voting power with respect to 1,631,905 shares of Common Stock and sole dispositive power with respect to 2,265,238 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 2,666,666 shares held by subsidiaries of the Foreign Trusts, or approximately 10.20% of the outstanding shares of Common Stock, including: 1) 1,766,666 shares of Common Stock; and 2) options to purchase an additional 900,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 2,265,024 shares, or approximately 8.66% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 755,000 of such shares as general partner of Brush Creek; (ii) 367,417 of such shares by virtue of his ownership of options; (iii) 374 of such shares by virtue of his holding a power of attorney to vote the shares of four adult children; (iv) 300,000 of such shares as general partner of MEF, Ltd.; and (v) an aggregate of 842,233 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 1,597,607 shares of Common Stock and sole dispositive power with respect to 1,965,024 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,483,334 shares held by subsidiaries of the Foreign Trusts, or 5.67% of the outstanding shares of Common Stock, including: 1) 1,033,334 shares of Common Stock; and 2) options to purchase an additional 450,000 shares.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 4,530,262 shares of Common Stock, or approximately 17.32% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 3,529,512 shares of Common Stock and sole dispositive power with respect to 4,530,262 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 4,150,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 15.87% of the outstanding shares of Common Stock.

(10) As of July 23, 1997:^{19/}

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 3,031,905 shares, or approximately 11.59% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) options to purchase 1,200,000 shares; (ii) 1,074,536 of such shares as the sole general partner of Tallulah, Ltd.; (iii) 200,000 of such shares as general partner of MEF, Ltd.; (iv) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (v) an aggregate of 541,533 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Sam Wyly possessed sole voting

^{18/} If the Reporting Persons had been deemed beneficial owners of the shares held by subsidiaries of the Foreign Trusts, they would have been required to have filed an amendment to the Original Schedule 13D reporting transactions that took place on June 30, 1997. Although June 30, 1997 is therefore the date of the event which would have triggered the filing of an amendment, this Item (5)(a)(iii)(9) also incorporates transactions which took place through July 2, 1997 as well.

^{19/} If the Reporting Persons had been deemed beneficial owners of the shares held by subsidiaries of the Foreign Trusts, they would have been required to have filed an amendment to the Original Schedule 13D reporting transactions that took place on July 23, 1997. Although July 23, 1997 is therefore the date of the event which would have triggered the filing of an amendment, this Item (5)(a)(iii)(10) also incorporates transactions which took place through July 25, 1997 as well.

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power with respect to 1,631,905 shares of Common Stock and sole dispositive power with respect to 2,831,905 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 2,666,666 shares held by subsidiaries of the Foreign Trusts, or approximately 10.20% of the outstanding shares of Common Stock, including: 1) 1,766,666 shares of Common Stock; and 2) options to purchase an additional 900,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 2,242,607 shares, or approximately 10.30% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 600,000 of such shares as general partner of Brush Creek; (ii) 600,000 of such shares by virtue of his ownership of options; (iii) 374 of such shares by virtue of his holding a power of attorney to vote the shares of four adult children; (iv) 200,000 of such shares as general partner of MEF, Ltd.; and (v) an aggregate of 842,233 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr. s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 1,442,607 shares of Common Stock and sole dispositive power with respect to 2,042,607 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,483,334 shares held by subsidiaries of the Foreign Trusts, or 5.67% of the outstanding shares of Common Stock, including: 1) 1,033,334 shares of Common Stock; and 2) options to purchase an additional 450,000 shares.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 5,074,512 shares of Common Stock, or approximately 14.81% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 3,274,512 shares of Common Stock and sole dispositive power with respect to 5,074,512 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 4,150,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 15.87% of the outstanding shares of Common Stock.

(11) As of December 1, 1997:^{20/}

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 3,031,905 shares, or approximately 10.50% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 1,125,000 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 75,000 of such shares by virtue of his spouse, Cheryl Wyly s ownership of options to purchase Common Stock; (iii) 1,074,536 of such shares as the sole general partner of Tallulah, Ltd.; (iv) 200,000 of such shares as general partner of MEF, Ltd.; (v) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (vi) an aggregate of 541,533 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly s family. Sam Wyly possessed sole voting power with respect to 1,631,905 shares of Common Stock and sole dispositive power with respect to 2,831,905 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 2,266,666 shares held by subsidiaries of the Foreign Trusts, or approximately 7.85% of the outstanding shares of Common Stock , including: 1) 1,366,666 shares of Common Stock; and 2) options to purchase an additional 900,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 2,067,607 shares, or approximately 7.16% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 500,000 of such shares as general partner of Brush Creek; (ii) 600,000 of such shares by virtue of his ownership of options; (iii) 200,000 of such shares as general partner of MEF, Ltd.; and (iv) an aggregate of 767,607 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr. s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 1,267,607 shares of Common Stock and sole dispositive power with respect to 1,867,607 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,283,334 shares held by subsidiaries of the Foreign Trusts, or 4.44% of the outstanding

shares of Common Stock, including: 1) 833,334 shares of Common Stock; and 2) options to purchase an additional 450,000 shares.

^{20/} If the Reporting Persons had been deemed beneficial owners of the shares held by subsidiaries of the Foreign Trusts, they would have been required to have filed an amendment to the Original Schedule 13D reporting transactions that took place on December 1, 1997. Although December 1, 1997 is therefore the date of the event which would have triggered the filing of an amendment, this Item (5)(a)(iii)(11) also incorporates transactions which took place through December 15, 1997 as well.

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Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 4,899,512 shares of Common Stock, or approximately 16.97% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 3,099,512 shares of Common Stock and sole dispositive power with respect to 4,899,512 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 3,550,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 12.30% of the outstanding shares of Common Stock.

(12) As of January 12, 2000:^{21/}

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 2,280,158 shares, or approximately 7.38% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 1,525,000 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 75,000 of such shares by virtue of his spouse, Cheryl Wyly's ownership of options to purchase Common Stock; (iii) 589,536 of such shares as the sole general partner of Tallulah, Ltd.; (iv) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (v) an aggregate of 74,786 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Sam Wyly possessed sole voting power with respect to 680,158 shares of Common Stock and sole dispositive power with respect to 2,280,158 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 1,783,333 shares held by subsidiaries of the Foreign Trusts, or approximately 5.77% of the outstanding shares of Common Stock, including: 1) 1,345,333 shares of Common Stock; and 2) options to purchase an additional 438,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 1,266,444 shares, or approximately 4.10% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 880,000 of such shares as general partner of Brush Creek (80,000 of which by virtue of Brush Creek's ownership of Common Stock, and 800,000 of which by virtue of Brush Creek's ownership of options); and (ii) an aggregate of 386,444 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 466,444 shares of Common Stock and sole dispositive power with respect to 1,266,444 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,266,801 shares held by subsidiaries of the Foreign Trusts, or 4.10% of the outstanding shares of Common Stock, including: 1) 816,801 shares of Common Stock; and 2) options to purchase an additional 450,000 shares.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 3,546,602 shares of Common Stock, or approximately 11.47% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 1,146,602 shares of Common Stock and sole dispositive power with respect to 3,546,602 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 3,050,134 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 9.87% of the outstanding shares of Common Stock.

(13) As of April 18, 2000:^{22/}

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 2,280,158 shares, or approximately 7.38% of the outstanding shares of Common Stock. Sam

^{21/} If the Reporting Persons had been deemed beneficial owners of the shares held by subsidiaries of the Foreign Trusts, they would have been required to have filed an amendment to the Original Schedule 13D reporting transactions that took place on January 12, 2000. Although January 12, 2000 is therefore the date of the event which

would have triggered the filing of an amendment, this Item (5)(a)(iii)(12) also incorporates transactions which took place through January 14, 2000.

^{22/} If the Reporting Persons had been deemed beneficial owners of the shares held by subsidiaries of the Foreign Trusts, they would have been required to have filed an amendment to the Original Schedule 13D reporting transactions that took place on April 18, 2000. Although April 18, 2000 is therefore the date of the event which would have triggered the filing of an amendment, this Item (5)(a)(iii)(13) also incorporates transactions which took place through April 26, 2000.

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Wyly beneficially owned (i) 1,525,000 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 75,000 of such shares by virtue of his spouse, Cheryl Wyly's ownership of options to purchase Common Stock; (iii) 589,536 of such shares as the sole general partner of Tallulah, Ltd.; (iv) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (v) an aggregate of 74,786 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Sam Wyly possessed sole voting power with respect to 680,158 shares of Common Stock and sole dispositive power with respect to 2,280,158 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 1,638,133 shares held by subsidiaries of the Foreign Trusts, or approximately 5.30% of the outstanding shares of Common Stock, including: 1) 1,354,133 shares of Common Stock; and 2) options to purchase an additional 284,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 996,444 shares, or approximately 3.22% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 610,000 of such shares as general partner of Stargate, Ltd. (80,000 of which by virtue of Stargate's ownership of Common Stock, and 530,000 of which by virtue of Stargate's ownership of options); and (ii) an aggregate of 386,444 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 466,444 shares of Common Stock and sole dispositive power with respect to 996,444 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,266,801 shares held by subsidiaries of the Foreign Trusts, or 4.10% of the outstanding shares of Common Stock, including: 1) 816,801 shares of Common Stock; and 2) options to purchase an additional 450,000 shares.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 3,276,602 shares of Common Stock, or approximately 10.60% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 1,146,602 shares of Common Stock and sole dispositive power with respect to 3,276,602 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 2,904,934 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 9.40% of the outstanding shares of Common Stock.

(14) As of May 8, 2000:^{23/}

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 1,252,658 shares, or approximately 4.05% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 572,500 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 589,536 of such shares as the sole general partner of Tallulah, Ltd.; (iii) 15,836 of such shares by virtue of a power of attorney to vote the shares of two adult children; and (iv) an aggregate of 74,786 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Sam Wyly possessed sole voting power with respect to 680,158 shares of Common Stock and sole dispositive power with respect to 1,252,658 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 1,629,333 shares held by subsidiaries of the Foreign Trusts, or approximately 5.27% of the outstanding shares of Common Stock, including: 1) 1,345,333 shares of Common Stock; and 2) options to purchase an additional 284,000 shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 666,444 shares, or approximately 2.16% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 280,000 of such shares as general partner of Stargate, Ltd. (80,000 of which by virtue of Stargate's ownership of Common Stock, and 200,000 of which by virtue of Stargate's ownership of options); and (ii) an aggregate of 386,444 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 466,444 shares of Common Stock

and sole dispositive power with respect to 666,444 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,266,801 shares held by subsidiaries of the Foreign Trusts,

²³ / If the Reporting Persons had been deemed beneficial owners of the shares held by subsidiaries of the Foreign Trusts, they would have been required to have filed an amendment to the Original Schedule 13D reporting transactions that took place on May 8, 2000. Although May 8, 2000 is therefore the date of the event which would have triggered the filing of an amendment, this Item (5)(a)(iii)(14) also incorporates transactions which took place through May 18, 2000.

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or 4.10% of the outstanding shares of Common Stock, including: 1) 816,801 shares of Common Stock; and 2) options to purchase an additional 450,000 shares.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 1,919,102 shares of Common Stock, or approximately 6.21% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 1,146,602 shares of Common Stock and sole dispositive power with respect to 1,919,102 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 2,896,134 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 9.40% of the outstanding shares of Common Stock.

(15) As of September 7, 2001:^{24/}

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 1,214,322 shares, or approximately 3.76% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 550,000 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 589,536 of such shares as the sole general partner of Tallulah, Ltd.; and (iii) an aggregate of 74,786 of such shares as the trustee of certain domestic trusts for the benefit of Sam Wyly's family. Sam Wyly possessed sole voting power with respect to 664,322 shares of Common Stock and sole dispositive power with respect to 1,214,322 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 940,600 shares held by subsidiaries of the Foreign Trusts, or approximately 2.92% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 816,444 shares, or approximately 2.53% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 150,000 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 280,000 of such shares as general partner of Stargate, Ltd. (80,000 of which by virtue of Stargate's ownership of Common Stock, and 200,000 of which by virtue of Stargate's ownership of options); and (iii) an aggregate of 386,444 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 466,444 shares of Common Stock and sole dispositive power with respect to 816,444 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,066,801 shares held by subsidiaries of the Foreign Trusts, or 3.31% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 2,030,766 shares of Common Stock, or approximately 6.30% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 1,130,766 shares of Common Stock and sole dispositive power with respect to of 2,030,766 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 2,007,401 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 6.30% of the outstanding shares of Common Stock.

(16) As of November 7, 2001:^{25/}

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 742,286 of such shares, or approximately 2.29% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 567,500 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 100,000 of such shares as the sole general partner of Tallulah, Ltd.; and (iii) an aggregate of 74,786 of such shares held by Sam Wyly's spouse and held by Sam Wyly as the trustee of certain domestic trusts for the

^{24/} If the Reporting Persons had been deemed beneficial owners of the shares held by subsidiaries of the Foreign Trusts, they would have been required to have filed an amendment to the Original Schedule 13D reporting transactions that took place on September 7, 2001. Although September 7, 2001 is therefore the date of the event which would have triggered the filing of an amendment, this Item (5)(a)(iii)(15) also incorporates transactions which took place through September 11, 2001.

^{25/} If the Reporting Persons had been deemed beneficial owners of the shares held by subsidiaries of the Foreign Trusts, they would have been required to have filed an amendment to the Original Schedule 13D reporting transactions that took place on November 7, 2001. Although November 7, 2001 is therefore the date of the event which would have triggered the filing of an amendment, this Item (5)(a)(iii)(16) also incorporates transactions which took place through November 9, 2001.

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benefit of his family. Sam Wyly possessed sole voting power with respect to 174,786 shares of Common Stock and sole dispositive power with respect to 742,286 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 540,600 shares held by subsidiaries of the Foreign Trusts, or approximately 1.67% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 833,944 shares, or approximately 2.57% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 167,500 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 280,000 of such shares as general partner of Stargate, Ltd. (80,000 of which by virtue of Stargate's ownership of Common Stock, and 200,000 of which by virtue of Stargate's ownership of options); and (iii) an aggregate of 386,444 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 466,444 shares of Common Stock and sole dispositive power with respect to 833,944 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 766,801 shares held by subsidiaries of the Foreign Trusts, or 2.36% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 1,576,230 shares of Common Stock, or approximately 4.86% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 641,230 shares of Common Stock and sole dispositive power with respect to of 1,576,230 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 1,307,401 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 4.03% of the outstanding shares of Common Stock.

(17) As of September 24, 2002:

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 1,554,292 shares, or approximately 2.31% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 1,202,500 of such shares by virtue of his ownership of options to purchase Common Stock; (ii) 200,000 of such shares as the sole general partner of Tallulah, Ltd.; and (iii) an aggregate of 151,792 of such shares of such shares held by Sam Wyly's spouse and held by Sam Wyly as the trustee of certain domestic trusts for the benefit of his family. Sam Wyly possessed sole voting power with respect to 351,792 shares of Common Stock and sole dispositive power with respect to 1,554,292 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 1,081,200 shares held by subsidiaries of the Foreign Trusts, or approximately 1.61% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 1,785,488 shares, or approximately 2.66% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 100 of such shares individually; (ii) 452,500 of such shares by virtue of his ownership of options to purchase Common Stock; (iii) 560,000 of such shares as general partner of Stargate, Ltd. (160,000 of which by virtue of Stargate's ownership of Common Stock, and 400,000 of which by virtue of Stargate's ownership of options); and (iv) an aggregate of 772,888 of such shares as trustee of certain domestic trusts established for the benefit of Charles J. Wyly, Jr.'s family. Charles J. Wyly, Jr. possessed sole voting power with respect to 932,988 shares of Common Stock and sole dispositive power with respect to 1,785,488 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 1,533,602 shares held by subsidiaries of the Foreign Trusts, or 2.29% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 3,339,780 shares of Common Stock, or approximately 4.98% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 1,284,780 shares of Common Stock and sole dispositive power with respect to of 3,339,780 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 2,614,802 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 3.90% of the outstanding shares of Common Stock.

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(iv) As of March 31, 2005:

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Sam Wyly beneficially owned 2,770,534 shares, or approximately 2.03% of the outstanding shares of Common Stock. Sam Wyly beneficially owned (i) 1,568,351 of such shares individually; (ii) 474,999 of such shares by virtue of his ownership of options to purchase shares of Common Stock; (iii) 400,000 of such shares as the sole general partner of Tallulah, Ltd.; (iv) 28,040 of such shares owned by his spouse; and (v) an aggregate of 299,144 of such shares as the trustee of the Sam Wyly Trusts listed below:

	<u>Name of Trust</u>	<u>Number of Shares Beneficially Owned</u>
1.	The Christiana Parker Wyly Trust	149,572
2.	The Andrew David Sparrow Wyly Trust	149,572

Sam Wyly possessed sole voting power with respect to 2,295,535 shares of Common Stock and sole dispositive power with respect to 2,770,534 shares of Common Stock. In addition, Sam Wyly may be deemed to beneficially own 2,052,000 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 1.50% of the outstanding shares of Common Stock.^{26/}

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, Charles J. Wyly, Jr. beneficially owned 3,178,614 shares, or approximately 2.33% of the outstanding shares of Common Stock. Charles J. Wyly, Jr. beneficially owned (i) 142,729 of such shares individually; (ii) 774,999 of such shares by virtue of his ownership of options to purchase shares of Common Stock; (iii) 760,410 of such shares as a trustee of the general partner of Stargate, Ltd.; (iv) 410,208 as general partner of Shadywood, Ltd.; and (v) an aggregate of 1,090,268 of such shares as trustee of the Charles J. Wyly, Jr. Trusts listed below:

	<u>Name of Trust</u>	<u>Number of Shares Beneficially Owned</u>
1.	The Martha Caroline Wyly Trust	282,876
2.	The Charles J. Wyly III Trust	405,312
3.	The Jennifer Lynn Wyly Trust	402,080

Charles J. Wyly, Jr. possessed sole voting power with respect to 2,403,615 shares of Common Stock and sole dispositive power with respect to 3,178,614 shares of Common Stock. In addition, Charles J. Wyly, Jr. may be deemed to beneficially own 2,867,204 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 2.10% of the outstanding shares of Common Stock.

Without regard to the securities owned by the subsidiaries of the Foreign Trusts, the Reporting Persons as a group beneficially owned an aggregate of 5,949,148 shares of Common Stock, or approximately 4.35% of the outstanding shares of Common Stock. The Reporting Persons as a group had sole voting power with respect to 4,699,150 shares of Common Stock and sole dispositive power with respect to 5,949,148 shares of Common Stock. In addition, the Reporting Persons may be deemed to beneficially own 4,919,204 shares of Common Stock held by subsidiaries of the Foreign Trusts, or approximately 3.60% of the outstanding shares of Common Stock.

(b) If the Reporting Persons were deemed to have been the beneficial owners of the Common Stock and options held by subsidiaries of the Foreign Trusts in which either is a settlor or beneficiary, that beneficial ownership would be shared, for purposes of Section 13(d) of the Securities Exchange Act of 1934, with the trustees of the relevant Foreign Trusts as well as the relevant subsidiaries of those trusts. Exhibit 5, attached hereto, lists the names of the trustees of the Foreign Trusts, the dates they served as trustees, and the other Item 2 information related to those trustees (to the extent known by the Reporting Persons). To the knowledge

^{26/} Of the 2,052,000 shares held by subsidiaries of the foreign trusts, 1,600,000 shares are subject to the prepaid forward transaction referenced in Item 4 above (comprised of the 800,000 shares described in Item 4 above, adjusted for a two-for-one stock split, which took place on October 12, 2004).

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of the Reporting Persons, each of the trustees of the Foreign Trusts listed on Exhibit 5 is (or, during the periods relevant to this Amendment, was) in business of providing trust and related services to corporations, investors and various other persons.

(c) Attached as Exhibit 2 is a chart listing each transaction in Michaels Common Stock and options described in the Preamble by which Common Stock or options were acquired by a Foreign Trust (or subsidiary thereof), and each transaction (i) of subsidiaries of the Foreign Trusts whose Common Stock and options Sam Wyly may be deemed to beneficially own occurring within 60 days of the dates of Prior Amendment Nos. 18 to 32, and (ii) of Sam Wyly and the subsidiaries of the Foreign Trusts whose Common Stock and options Sam Wyly may be deemed to beneficially own occurring within 60 days of the dates set forth in Item 5(a)(iii). Attached as Exhibit 3 is a chart listing each transaction in Michaels Common Stock and options described in the Preamble by which Common Stock or options were acquired by a Foreign Trust (or subsidiary thereof), and each transaction (i) of the subsidiaries of the Foreign Trusts whose Common Stock and options Charles J. Wyly, Jr. may be deemed to beneficially own occurring within 60 days of the dates of Prior Amendment Nos. 18 to 32, and (ii) of Charles J. Wyly, Jr. and the subsidiaries of the Foreign Trusts whose Common Stock and options Charles J. Wyly, Jr. may be deemed to beneficially own occurring within 60 days of the dates set forth in Item 5(a)(iii). Exhibits 2 and 3 do not include any transactions whereby one Foreign Trust or a subsidiary thereof transferred Common Stock or options to a subsidiary of the same Foreign Trust or to another Foreign Trust with the same beneficiary or settlor or a subsidiary thereof. Exhibits 2 and 3 also do not include transfers of Common Stock or options between the Reporting Persons and their family members, between the Reporting Persons and certain domestic limited partnerships of which the Reporting Persons are or were general partners, or between the Reporting Persons and certain domestic trusts for which the Reporting Persons are or were trustees.

(d) Except as and to the extent disclosed above, no other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities.

ITEM 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The Foreign Trusts were established under the laws of the Isle of Man. Under the terms of the Foreign Trusts, the trustees generally have the sole power, among other things, to direct the acquisition or disposition of trust assets (including decisions to purchase or sell securities), the voting of securities held as trust assets, and the distribution of trust assets to beneficiaries. The subsidiaries of the Foreign Trusts generally have one or more directors, officers or managing agents; these generally are persons affiliated with the corporate trustees. The documents establishing the Foreign Trusts also generally provide for the appointment of one or more protectors (the Committee) to provide advice to the trustees. Under the terms of the Foreign Trusts, the Committee had the power in each instance to remove or replace the trustees; in addition, in some but not all instances, the Committee had the power to consent to the appointment or exclusion of a beneficiary, to consent to a distribution and/or to inspect the trust's books and records. The number and persons who have served on the Committee have changed over time. The persons who have served on the Committee have had various business relationships with the Reporting Persons. The Reporting Persons have communicated with the Committee from time to time concerning, among other things, potential transactions involving shares, and options and warrants to purchase shares, of Michaels Common Stock, and voting of shares of Michaels Common Stock. As a general matter, the Committee has made recommendations to the trustees concerning transactions involving shares, and options and warrants to purchase shares, of Michaels Common Stock, and voting of shares of Michaels Common Stock. The subsidiaries of the Foreign Trusts generally have taken action consistent with those recommendations.

ITEM 7. Material to be Filed as Exhibits

Exhibit 1: Agreement pursuant to Rule 13d-1(k)(1)(iii).

Exhibit 2: Chart listing each transaction in Michaels Common Stock, options and warrants described in the Preamble by which Common Stock or options were acquired by a Foreign Trust (or subsidiary thereof) and each transaction occurring between April 14, 1992 and March 31, 2005 (i) of subsidiaries of the Foreign Trusts whose Common Stock and options Sam Wyly may be deemed to beneficially own occurring within 60 days of the dates of Prior Amendment Nos. 18 to 32, and (ii) of Sam Wyly and subsidiaries of the Foreign Trusts whose Common Stock and options Sam Wyly may be deemed to beneficially own occurring within 60 days of the dates set forth in Item 5(a)(iii). Chart excludes: (x) transactions whereby one Foreign Trust or a subsidiary thereof transferred Common Stock or options to a subsidiary of the same Foreign Trust or to another Foreign Trust with the same beneficiary or settlor or a subsidiary thereof; (y) transfers of Common Stock or options between the Reporting Persons and their family members; and (z) transfers of Common Stock or options between the Reporting Persons and certain domestic limited partnerships of which the Reporting Persons are or were general partners,

or between the Reporting Persons and certain domestic trusts for which the Reporting Persons are or were trustees.

- Exhibit 3: Chart listing each transaction in Michaels Common Stock and options described in the Preamble by which Common Stock or options were acquired by a Foreign Trust (or subsidiary thereof) and each transaction occurring between April 14, 1992 and March 31, 2005 (i) of subsidiaries of the Foreign Trusts whose Common Stock and options Charles J. Wyly, Jr. may be deemed to beneficially own occurring within 60 days of the dates of Prior Amendment Nos. 18 to 32, and (ii) of Charles J. Wyly, Jr. and subsidiaries of the Foreign Trusts whose Common Stock and options Charles J. Wyly, Jr. may be deemed to beneficially own occurring within 60 days of the dates set forth in Item 5(a)(iii). Chart excludes: (x) transactions whereby one Foreign Trust or a subsidiary thereof transferred Common Stock or options to a subsidiary of the same Foreign Trust or to another Foreign Trust with the same beneficiary or settlor or a subsidiary thereof; (y) transfers of Common Stock or options between the Reporting Persons and their family members; and (z) transfers of Common Stock or options between the Reporting Persons and certain domestic limited partnerships of which the Reporting Persons are or were general partners, or between the Reporting Persons and certain domestic trusts for which the Reporting Persons are or were trustees.
- Exhibit 4: STARS Variable Share Prepaid Forward Transaction: (a) Transaction Confirmation; (b) Pledge Agreement; (c) Transaction Acknowledgment; (d) Master Stock Purchase Agreement.
- Exhibit 5: Listing of Trustees of Foreign Trusts.
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Signatures

After reasonable inquiry and to the best of my knowledge and belief, each of us certifies that the information set forth in this amendment to this statement is true, complete and correct.

Dated: April 7, 2005 /s/ Sam Wyly
Sam Wyly

/s/ Charles J. Wyly, Jr.
Charles J. Wyly, Jr.