UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________ to _____________________

Commission File Number 0-23702

STEVEN MADDEN, LTD.

(Exact name of Registrant as specified in its charter)

Delaware	13-3588231
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
52-16 Barnett Avenue, Long Island City, New York	11104
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code	(718) 446-1800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (do not check if smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No x

As of August 4, 2010, the latest practicable date, there were 27,673,699 shares of common stock, $.0001 par value, outstanding.

STEVEN MADDEN, LTD.
FORM 10-Q
QUARTERLY REPORT
June 30, 2010

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION
Item 1. Condensed Consolidated Financial Statements
STEVEN MADDEN, LTD. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets
(in thousands)

	June 30, 2010 (unaudited)	December 31, 2009	June 30, 2009 (unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ **42,807**	$ 69,266	$ 53,276
Accounts receivable, net of allowances of $1,939, $1,195 and $1,127	**11,942**	11,071	9,320
Due from factor, net of allowances of $10,758, $12,487 and $10,357	**73,145**	47,534	48,536
Inventories	**44,466**	30,453	29,025
Marketable securities – available for sale	**21,972**	17,971	10,520
Prepaid expenses and other current assets	**13,716**	6,295	7,743
Deferred taxes	**8,809**	8,779	8,006
Total current assets	**216,857**	191,369	166,426
Note receivable – related party	**3,733**	3,568	3,491
Property and equipment, net	**21,297**	23,793	25,562
Deferred taxes	**7,053**	7,543	6,895
Deposits and other	**1,787**	1,844	1,942
Marketable securities – available for sale	**99,183**	67,713	47,839
Goodwill – net	**36,613**	24,313	23,472
Intangibles – net	**14,831**	6,716	7,257
Total Assets	$ **401,354**	$ 326,859	$ 282,884
LIABILITIES			
Current liabilities:			
Accounts payable	$ **44,309**	$ 24,544	$ 22,880
Accrued expenses	**20,323**	15,338	19,679
Income taxes payable	**3,300**	166	—
Accrued incentive compensation	**7,447**	12,314	5,836
Total current liabilities	**75,379**	52,362	48,395
Contingent payment liability	**12,000**	—	—
Deferred rent	**5,240**	5,044	4,925
Other liabilities	**1,564**	1,666	311
Total Liabilities	**94,183**	59,072	53,631
Commitments, contingencies and other			
STOCKHOLDERS' EQUITY			
Preferred stock – $.0001 par value, 5,000 shares authorized; none issued; Series A Junior Participating preferred stock – $.0001 par value, 60 shares authorized; none issued			
Common stock – $.0001 par value, 60,000 shares authorized; 36,075, 35,687 and 35,387 shares issued, 27,672, 27,425 and 27,125 outstanding	**4**	3	3
Additional paid-in capital	**155,803**	147,703	141,353
Retained earnings	**282,551**	247,365	215,978
Other comprehensive income (loss):			
Unrealized gain (loss) on marketable securities	**1,356**	700	(97)
Treasury stock – 8,403, 8,262 and 8,262 shares at cost	**(132,543)**	(127,984)	(127,984)
Total stockholders' equity	**307,171**	267,787	229,253
Total Liabilities and Stockholders' Equity	$ **401,354**	$ 326,859	$ 282,884

See accompanying notes to condensed consolidated financial statements - unaudited

STEVEN MADDEN, LTD. AND SUBSIDIARIES

Condensed Consolidated Statements of Income
(unaudited)
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Net sales	**158,664**	116,472	**290,272**	223,901
Cost of sales	**89,815**	66,909	**161,486**	130,851
Gross profit	**68,849**	49,563	**128,786**	93,050
Commission and licensing fee income – net	**5,229**	7,362	**11,413**	10,267
Operating expenses	**(42,025)**	(37,553)	**(83,287)**	(73,641)
Income from operations	**32,053**	19,372	**56,912**	29,676
Interest and other income, net	**942**	368	**1,726**	764
Income before provision for income taxes	**32,995**	19,740	**58,638**	30,440
Provision for income taxes	**13,196**	7,596	**23,454**	11,719
Net income	**$ 19,799**	$ 12,144	**$ 35,184**	$ 18,721
Basic income per share	**$ 0.72**	$ 0.45	**$ 1.28**	$ 0.70
Diluted income per share	**$ 0.70**	$ 0.44	**$ 1.25**	$ 0.69
Basic weighted average common shares outstanding	**27,628**	27,021	**27,542**	26,928
Effect of dilutive securities – options/restricted stock	**675**	420	**687**	272
Diluted weighted average common shares outstanding	**28,303**	27,441	**28,229**	27,200

See accompanying notes to condensed consolidated financial statements – unaudited

STEVEN MADDEN, LTD. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Cash flows from operating activities:		
Net income	**$ 35,184**	$ 18,721
Adjustments to reconcile net income to net cash used in operating activities:		
Excess tax benefit from the exercise of options	**(2,512)**	(7)
Depreciation and amortization	**5,022**	4,828
Loss on disposal of fixed assets	**543**	560
Deferred taxes	**—**	191
Non-cash compensation	**3,676**	2,774
Provision for bad debts	**(985)**	183
Deferred rent expense	**196**	(862)
Realized (gain) loss on marketable securities	**(32)**	55
Changes in:		
Accounts receivable	**(947)**	(3,350)
Due from factor	**(23,882)**	(14,811)
Note receivable – related party	**(165)**	(121)
Inventories	**(13,713)**	2,572
Prepaid expenses, deposits and other assets	**(6,350)**	289
Accounts payable and other accrued expenses	**24,816**	10,845
Net cash provided by operating activities	**20,851**	21,867
Cash flows from investing activities:		
Purchase of property and equipment	**(1,232)**	(1,644)
Purchase of marketable securities	**(44,917)**	(33,736)
Sale/redemption of marketable securities	**10,092**	10,678
Acquisitions, net of cash acquired *	**(11,119)**	(4,526)
Net cash used in investing activities	**(47,176)**	(29,228)
Cash flows from financing activities:		
Repayment of advances from factor	**—**	(30,168)
Proceeds from options exercised	**1,913**	1,210
Tax benefit from exercise of options	**2,512**	7
Common stock purchased for treasury	**(4,559)**	—
Net cash used in financing activities	**(134)**	(28,951)
Net decrease in cash and cash equivalents	**(26,459)**	(36,312)
Cash and cash equivalents – beginning of period	**69,266**	89,588
Cash and cash equivalents – end of period	**$ 42,807**	$ 53,276

* The amount for 2009 was accrued at December 31, 2008.

See accompanying notes to condensed consolidated financial statements – unaudited

NOTE A – BASIS OF REPORTING

The accompanying unaudited condensed consolidated financial statements of Steven Madden, Ltd. and subsidiaries (the "Company") have been prepared in accordance with the generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the financial position of the Company and the results of its operations and cash flows for the periods presented. The results of its op erations for the three- and six-month periods ended June 30, 2010 are not necessarily indicative of the operating results for the full year. It is suggested that these financial statements be read in conjunction with the financial statements and related disclosures for the year ended December 31, 2009 included in the Annual Report of Steven Madden, Ltd. on Form 10-K filed with the SEC on March 12, 2010.

NOTE B – STOCK SPLIT

On March 24, 2010, the Board of Directors declared a 3-for-2 stock split of the Company's outstanding shares of common stock, to be effected in the form of a stock dividend on the Company's outstanding common stock. Stockholders of record at the close of business on April 20, 2010 received one additional share of Steven Madden, Ltd. common stock for every two shares of common stock owned on this date. The additional shares were distributed on May 3, 2010. Stockholders received cash in lieu of any fractional shares of common stock they otherwise would have received in connection with the dividend. All share and per share data provided herein gives effect to this stock split, applied retroactively.

NOTE C – RECENTLY ADOPTED ACCOUNTING STANDARDS

In January 2010, the Financial Accounting Standards Board ("FASB") issued new accounting guidance which expands disclosure requirements relating to fair value measurements. The guidance adds requirements for disclosing amounts of and reasons for significant transfers into and out of Levels 1 and 2 and requires gross rather than net disclosures about purchases, sales, issuance and settlements relating to Level 3 measurements. The guidance also provides clarification that fair value measurement disclosures are required for each class of assets and liabilities. Disclosures about the valuation techniques and inputs used to measure fair value for measurements that fall in either Level 2 or Level 3 are also required. The Company adopted the provisions of the guidance as of March 31, 2010, except for disclosure about purchases, sa les, issuance and settlements in the roll forward of activity in Level 3 fair value measurement, which is effective for fiscal years beginning after December 15, 2010. Disclosures are not required for earlier periods presented for comparative purposes. The new guidance affects disclosures only and, therefore, the adoption had no impact on the Company's results of operation or financial position.

A new accounting pronouncement amending the consolidation guidance relating to variable interest entities ("VIE") became effective for the Company on January 1, 2010. The new guidance replaces the current quantitative model for determining the primary beneficiary of a VIE with a qualitative approach that considers which entity has the power to direct activities that most significantly impact the VIE's performance and whether the entity has an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The adoption of the accounting pronouncement had no material impact on the Company's Condensed Consolidated Financial Statements.

NOTE D – USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE D – USE OF ESTIMATES (CONTINUED)

Significant areas involving management estimates include allowances for bad debts, returns and customer chargebacks, and deferred tax asset valuation allowance. The Company provides reserves on trade accounts receivable and due from factors for future customer chargebacks and markdown allowances, discounts, returns and other miscellaneous compliance related deductions that relate to the current period sales. The Company evaluates anticipated chargebacks by reviewing several performance indicators of its major customers. These performance indicators, which include retailers' inventory levels, sell-through rates and gross margin levels, are analyzed by management to estimate the amount of the anticipated customer allowance.

NOTE E – DUE TO AND FROM FACTOR

The Company has a collection agency agreement with Rosenthal & Rosenthal, Inc. ("Rosenthal"). Under the agreement, the Company can request advances from Rosenthal of up to 85% of aggregate receivables factored by Rosenthal. The agreement provides the Company with a credit facility in the amount of $30,000, having a sub-limit of $15,000 on the aggregate face amount of letters of credit, at an interest rate that, at the Company's election, is tied to either the prime rate or LIBOR.

NOTE F – NOTE RECEIVABLE – RELATED PARTY

On June 25, 2007, the Company made a loan to Steve Madden, its Creative and Design Chief and a principal stockholder of the Company, in the amount of $3,000, in order for Mr. Madden to satisfy a personal tax obligation resulting from the exercise of options that were due to expire and retain the underlying Company common stock, which he pledged to the Company as collateral to secure the loan. Mr. Madden executed a secured promissory note in favor of the Company bearing interest at an annual rate of 8% which was due on the earlier of the date Mr. Madden ceases to be employed by the Company or December 31, 2007. An amendment to the note dated December 19, 2007 extended the due date to March 31, 2009, and a second amendment dated April 1, 2009 changed the interest rate to 6% and extended the due date of both principal and interest to June 30, 2015. As of June 30, 2010, $733 of interest has accrued on the note and has been reflected on the Company's Condensed Consolidated Financial Statements. Due to the 3-for-2 stock split effected on May 3, 2010 (see Note B above) the number of shares securing the loan increased from 510,000 shares to 765,000 shares. Based upon the increase in the market value of the Company's common stock since the inception of the loan, on July 12, 2010, the Company determined to release from its security interest 555,000 shares of the Company's common stock, retaining 210,000 shares with a total market value on that date of $6,798, as collateral for the loan.

NOTE G – MARKETABLE SECURITIES

Marketable securities consist primarily of corporate and U.S. government and federal agency bonds with maturities greater than three months and up to six years at the time of purchase as well as marketable equity securities. These securities, which are classified as available-for-sale, are carried at fair value, with unrealized gains and losses, net of any tax effect, reported in stockholders' equity as accumulated other comprehensive income (loss). These securities are classified as current and non-current marketable securities based upon their maturities. Amortization of premiums and discounts is included in interest income. For the three- and six-month periods ended June 30, 2010, the amortization of bond premiums totals $269 and $502, respectively, compared to $35 and $167 for the comparable periods in 2009. The values of the se securities may fluctuate as a result of changes in market interest rates and credit risk.

Notes to Condensed Consolidated Financial Statements - Unaudited
June 30, 2010
($ in thousands except share and per share data)

NOTE H – FAIR VALUE MEASUREMENT

The Company adopted the provisions of FASB ASC 820-10, "Fair Value Measurements and Disclosures" ("ASC 820-10") for financial assets and liabilities effective January 1, 2008, and adopted ASC 820-10 for non-financial assets and non-financial liabilities effective January 1, 2009. ASC 820-10 clarifies the principle that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. ASC 820-10 utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

A brief description of those three levels is as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
- Level 3: Significant unobservable inputs.

The Company's financial assets subject to fair value measurements as of June 30, 2010 are as follows:

		Fair Value Measurements Using Fair Value Hierarchy		
	Fair value	**Level 1**	**Level 2**	**Level 3**
Assets:				
Cash equivalents	$ 25,006	$ 25,006	—	—
Current marketable securities – available for sale	21,972	21,972	—	—
Long-term marketable securities – available for sale	99,183	99,183	—	—
Total assets	$ 146,161	$ 146,161	—	—
Liabilities:				
Contingent consideration	$ 12,000	—	—	$ 12,000
Total liabilities	$ 12,000	—	—	$ 12,000

The Company's financial assets subject to fair value measurements as of December 31, 2009 are as follows:

		Fair Value Measurements Using Fair Value Hierarchy		
	Fair value	**Level 1**	**Level 2**	**Level 3**
Cash equivalents	$ 30,962	$ 30,962	—	—
Current marketable securities – available for sale	17,971	17,971	—	—
Long-term marketable securities – available for sale	67,713	67,713	—	—
Total	$ 116,646	$ 116,646	—	—

During the six months ended June 30, 2010, the Company had no assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3). No gains or losses resulting from the fair value measurement of financial assets were included in the Company's earnings. The Company has recorded a contingent consideration as a result of the February 10, 2010 acquisition of Big Buddha, Inc. (see Note R). The contingent consideration may be paid to the seller of Big Buddha based on the financial performance of Big Buddha for each of the twelve-month periods ending on March 31, 2011, 2012 and 2013. The fair value of the contingent payments was estimated using the present value of management's projections of the financial results of Big Buddha during the earn-out period.

NOTE H – FAIR VALUE MEASUREMENT (CONTINUED)

In April 2009, the FASB issued additional guidance for estimating fair value in accordance with ASC Topic 820. The additional guidance addresses determining fair value when the volume and level of activity for an asset or liability have significantly decreased and identifying transactions that are not orderly. The adoption of this guidance did not have a material effect on the Company’s Condensed Consolidated Financial Statements.

The Company adopted the provisions of FASB ASC 825-10, “Financial Instruments” (“ASC 825-10”) on January 1, 2008. ASC 825-10 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. ASC 825-10 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that chose different measurement attributes for similar assets and liabilities. The Company has elected not to measure any eligible items at fair value.

NOTE I – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of certain financial instruments such as accounts receivable, due from factors and accounts payable, approximate their fair values due to their short-term nature of their underlying terms. The fair values of the financial instruments and investments are determined by reference to market data and other valuation techniques, as appropriate. Fair value of the note receivable approximates its carrying value based upon its interest rate, which approximates current market interest rates.

NOTE J – INVENTORIES

Inventories, which consist of finished goods on hand and in transit, are stated at the lower of cost (first-in, first-out method) or market.

NOTE K – REVENUE RECOGNITION

The Company recognizes revenue from wholesale sales when products are shipped pursuant to its standard terms, which are freight on board (FOB) warehouse, or when products are delivered to the consolidators as per the terms of the customers’ purchase order. Sales reductions for anticipated discounts, allowances and other deductions are recognized during the period when sales are recorded. Customers retain the right to return/credit of the product for poor quality or improper or short shipments, which have historically been immaterial. Retail sales are recognized when the payment is received from customers and are recorded net of returns. The Company also generates commission income acting as a buying agent by arranging to manufacture private label shoes to the specifications of its clients. The Company’s commission revenue i ncludes partial recovery of its design, product and development costs for the services provided to certain suppliers in connection with the Company’s private label business. Commission revenue and product and development cost recoveries are recognized as earned when title of the product transfers from the manufacturer to the customer and are reported on a net basis after deducting related operating expenses.

The Company licenses its trademarks for use in connection with the manufacturing, marketing and sale of cold weather accessories, sunglasses, eyewear, outerwear, bedding, hosiery, women’s fashion apparel and jewelry. The license agreements require the licensee to pay the Company a royalty and, in substantially all of the agreements, an advertising fee based on the higher of a minimum or a net sales percentage as defined in the various agreements. Licensing revenue is recognized on the basis of net sales reported by the licensees, or the minimum guaranteed royalties, if higher. In substantially all of the Company’s license agreements, the minimum guaranteed royalty is earned and payable in advance on a quarterly basis, and offset against earned royalties at the end of each quarter. Under the terms of retail selling agreement s, most of the Company’s international distributors are required to pay the Company a royalty based on a percentage of net sales, in addition to a commission based on a percentage of the purchases of the Company’s products. For the Company’s international distributors, licensing income is recognized when earned and commissions are recognized when title of the product transfers to the customer.

Note L – Taxes Collected From Customers

The Company accounts for certain taxes collected from its customers in accordance with the FASB ASC 605-45-50, "Revenue Recognition – Principal Agent Considerations – Disclosure" ("ASC 605-45-50"). ASC 605-45-50 allows companies to adopt a policy of presenting taxes in the income statement on either a gross basis (included in revenues and costs) or net basis (excluded from revenues). Taxes within the scope of ASC 605-45-50 would include taxes that are imposed on a revenue transaction between a seller and a customer, for example, sales taxes, use taxes, value-added taxes and some types of excise taxes. The Company has consistently recorded all taxes within the scope of ASC 605-45-50 on a net basis.

Note M – Sales Deductions

The Company supports retailers' initiatives to maximize the sales of its products on the retail floor by subsidizing the co-op advertising programs of such retailers, providing them with inventory markdown allowances and participating in various other marketing initiatives of its major customers. Such expenses are reflected in the Condensed Consolidated Statement of Income as deductions from sales. For the three- and six-month periods ended June 30, 2010, the deduction to sales for these expenses as a total dollar amount and as a percentage of gross sales was $8,311or 6.4% and $14,351 or 6.2%, respectively, as compared to $7,567 or 8.6% and $12,240 or 7.2%, for the comparable periods in 2009.

Note N – Cost of Sales

All costs incurred to bring finished products to the Company's distribution center and, in the Retail segment, the costs to bring products to the Company's stores, are included in the cost of sales line on the Condensed Consolidated Statement of Income. These include the cost of finished products, purchase commissions, letter of credit fees, brokerage fees, sample expenses, custom duty, inbound freight, royalty payments on licensed products, labels and product packaging. All warehouse and distribution costs related to the Wholesale segments and freight to customers, if any, are included in the operating expenses line item of the Company's Condensed Consolidated Statement of Income. The Company's gross margins may not be comparable to those of other companies in the industry because some companies may include war ehouse and distribution costs, as well as other costs excluded from cost of sales by the Company, as a component of cost of sales, while other companies report on the same basis as the Company and include them in operating expenses.

Note O – Income Taxes

The Company's effective income tax rate for the six months ended June 30, 2010 and 2009 was 40.0% and 38.5%, respectively. The increase in the effective income tax rate is due to increases in state and local taxes, among other matters, including revisions of allocation formulas by some tax jurisdictions resulting in the Company having higher taxable income in those jurisdictions.

Note P – Net Income Per Share of Common Stock

Basic income per share is based on the weighted average number of shares of common stock outstanding during the period. Diluted income per share reflects: a) the potential dilution assuming shares of common stock were issued upon the exercise of outstanding in-the-money options and the proceeds thereof were used to purchase treasury stock at the average market price during the period, and b) the vesting of granted nonvested restricted stock awards for which the assumed proceeds upon grant are deemed to be the amount of compensation cost attributable to future services and are not yet recognized using the treasury stock method, to the extent dilutive. For both the three- and six-month periods ended June 30, 2010, options to purchase 236,000 shares of the Company's common stock have been excluded from the calculation because i nclusion of such shares would be anti-dilutive as compared with options to purchase 155,000 shares of the Company's common stock that have been excluded from the calculation for the three and six months ended June 30, 2009.

($ in thousands except share and per share data)

NOTE Q – STOCK-BASED COMPENSATION

In March 2006, the Board of Directors approved the Steven Madden, Ltd. 2006 Stock Incentive Plan (the "Plan") under which nonqualified stock options, stock appreciation rights, performance shares, restricted stock, other stock-based awards and performance-based cash awards may be granted to employees, consultants and non-employee directors. The stockholders approved the Plan on May 26, 2006. On May 25, 2007, the stockholders approved an amendment to the Plan to increase the maximum number of shares that may be issued under the Plan from 1,800,000 to 2,325,000. On May 22, 2009, the stockholders approved a second amendment to the Plan that increased the maximum number of shares that may be issued under the Plan to 6,096,000. The following table summarizes the n umber of shares of common stock authorized for issuance under the Plan, the amount of stock-based awards issued (net of expired or cancelled) under the Plan and the number of shares of common stock available for the grant of stock-based awards under the Plan:

Common Stock authorized	6,096,000
Stock-based awards, including restricted stock and stock options, granted net of expired or cancelled	3,355,000
Common Stock available for grant of stock-based awards as of June 30, 2010	2,741,000

Total equity-based compensation for the three and six months ended June 30 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Stock options	**$ 816**	$ 472	**$ 1,346**	$ 593
Restricted stock	**1,043**	1,127	**2,330**	2,181
Total	**$ 1,859**	$ 1,559	**$ 3,676**	$ 2,774

Equity-based compensation is included in operating expenses on the Company's Condensed Consolidated Statements of Income.

Stock Options

Cash proceeds and intrinsic values related to total stock options exercised during both the three- and six-month periods ended June 30, 2010 and 2009 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Proceeds from stock options exercised	**$ 1,581**	$ 1,210	**$ 1,913**	$ 1,210
Intrinsic value of stock options exercised	**$ 4,026**	$ 1,161	**$ 4,614**	$ 1,161

($ in thousands except share and per share data)

NOTE Q – STOCK-BASED COMPENSATION (CONTINUED)

During the three and six months ended June 30, 2010, approximately 233,000 options with a weighted average exercise price of $14.32 and approximately 265,000 options with a weighted average exercise price of $14.04 vested, respectively. During the three and six months ended June 30, 2009, approximately 75,000 options with a weighted average exercise price of $12.38 and approximately 99,000 options with a weighted average exercise price of $12.20 vested, respectively. As of June 30, 2010, there were 1,500,000 unvested options with a total of $10,506 of unrecognized compensation cost and an average vesting period of 3.6 years. As of June 30, 2009, there were 1,202,000 unvested options with a total of $5,372 of unrecognized compensation cost and an average vesting period of 3.6 years.

The Company estimates the fair value of options granted using the Black-Scholes option-pricing model, which requires several assumptions. The expected term of the options represents the estimated period of time until exercise and is based on the historical experience of similar awards. Expected volatility is based on the historical volatility of the Company's stock. The risk free interest rate is based on the U.S. Treasury yield curve in effect at the time of the grant. With the exception of a special dividend paid in November of 2005 and 2006, the Company historically has not paid dividends and thus the expected dividend rate is assumed to be zero. The following weighted average assumptions were used for stock options granted:

	Six months ended June 30,	
	2010	**2009**
Expected volatility	47.5% to 52.4%	49.9% to 52.1%
Risk-free interest rate	1.62% to 2.16%	1.39% to 1.71%
Expected life (in years)	2.8 to 4.4	3.9
Expected dividend yield	None	None
Weighted average fair value	$12.72	$5.60

Activity relating to stock options granted under the Company's plans and outside the plans during the six months ended June 30, 2010 is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2010	1,615,000	$ 13.68		
Granted	503,000	33.02		
Exercised	(197,000)	10.20		
Cancelled/Forfeited	(18,000)	15.47		
Outstanding at June 30, 2010	1,903,000	$ 19.14	5.4	$ 24,871
Exercisable at June 30, 2010	403,000	$ 12.11	4.2	$ 7,851

($ in thousands except share and per share data)

NOTE Q – STOCK-BASED COMPENSATION (CONTINUED)

Restricted Stock

The following table summarizes restricted stock activity during the six months ended June 30, 2010 and 2009:

	2010		2009	
	Number of Shares	Weighted Average Fair Value at Grant Date	Number of Shares	Weighted Average Fair Value at Grant Date
Non-vested at January 1	**447,000**	**$ 20.97**	537,000	$ 19.69
Granted	**118,000**	**30.50**	35,000	14.79
Vested	**(178,000)**	**20.01**	(178,000)	19.89
Forfeited	**(3,000)**	**22.70**	(2,000)	22.70
Non-vested at June 30	**384,000**	**$ 28.44**	392,000	$ 19.14

As of June 30, 2010, there was $7,181 of total unrecognized compensation cost related to restricted stock awards granted under the Plan. This cost is expected to be recognized over a weighted average of 2.5 years. The Company determines the fair value of its restricted stock awards based on the market price of its common stock on the date of grant.

NOTE R – ACQUISITION

Big Buddha

On February 10, 2010, the Company acquired all of the outstanding shares of stock of privately held Big Buddha, Inc. ("Big Buddha") from its sole stockholder ("Seller"). Founded in 2003, Big Buddha designs and markets fashion-forward handbags to specialty retailers and better department stores. Management believes that Big Buddha is a strategic fit for the Company. The acquisition was completed for consideration of $11,119 in cash, net of cash acquired, plus contingent payments pursuant to an earn-out agreement with the Seller. The earn-out agreement provides for potential payments to the Seller based on the financial performance of Big Buddha handbags for each of the twelve-month periods ending on March 31, 2011, 2012 and 2013. The fair value of the contingent payments was estimated using the present value of m anagement's projections of the financial results of Big Buddha during the earn-out period. As of June 30, 2010, the Company estimates the fair value of the contingent consideration to be $12,000.

($ in thousands except share and per share data)

NOTE R – ACQUISITION (CONTINUED)

The transaction was accounted for using the acquisition method required by GAAP. Accordingly, the assets and liabilities of Big Buddha were adjusted to their fair values, and the excess of the purchase price over the fair value of the assets acquired, including identified intangible assets, was recorded as goodwill. The fair values assigned to tangible and intangible assets acquired and liabilities assumed are based on management's estimates and assumptions, which are subject to change. The purchase price has been preliminarily allocated as follows:

Accounts receivable	$	668
Inventory		1,212
Prepaid expenses and other current assets		102
Trade name		4,100
Customer relationships		4,900
Non-compete agreement		450
Accounts payable		(171)
Accrued expenses		(442)
Total fair value excluding goodwill		10,819
Goodwill		12,300
Net assets acquired	$	23,119

The purchase price and related allocation are preliminary and may be revised as a result of adjustments made to the purchase price as additional information regarding assets and liabilities require. Contingent consideration classified as a liability will be remeasured at fair value at each reporting date, until the contingency is resolved, with changes recognized in earnings. The goodwill related to this transaction is expected to be deductible for tax purposes over 15 years.

The Company incurred approximately $430 in acquisition related costs applicable to the Big Buddha transaction during the period ended June 30, 2010. These expenses are included in operating expenses in the Company's Condensed Consolidated Statements of Income.

The results of operations of Big Buddha have been included in the Company's Condensed Consolidated Statements of Income from the date of the acquisition. Unaudited pro forma information related to this acquisition is not included, as the impact of this transaction is not material to the Company's consolidated results.

Zone 88 and Shakedown Street

On July 8, 2009, the Company acquired certain of the assets constituting the Zone 88 and Shakedown Street (together "Zone 88") lines of SML Brands, LLC, a subsidiary of Aimee Lynn, Inc. SML Brands designs, sources and markets primarily private label accessories and licensed brands, principally handbags, belts and small leather goods, for mass merchants and mid-tier retailers. Management believes that Zone 88 is a strategic fit for the Company. The acquisition was completed for $1,348 in cash. The fair values assigned to tangible and intangible assets acquired and liabilities assumed are based on management's estimates. The Company allocated $220 to current assets, $409 to the value of customer relationships, $841 to goodwill and $122 to liabilities assumed. The value of customer relation ships is being amortized over ten years. The results of operations of Zone 88 have been included in the Company's Condensed Consolidated Statements of Income from the date of the acquisition. Unaudited pro forma information related to this acquisition is not included, as the impact of this transaction is not material to the Company's consolidated results.

($ in thousands except share and per share data)

Note S – Goodwill and Intangible Assets

The following is a summary of the carrying amount of goodwill by segment for the six months ended June 30, 2010:

	Wholesale						Net Carrying	
	Footwear		Accessories		Retail		Amount	
Balance at January 1, 2010	$	1,547	$	17,265	$	5,501	$	24,313
Acquisition of Big Buddha		0		12,300		0		12,300
Balance at June 30, 2010	$	1,547	$	29,565	$	5,501	$	36,613

The following table details identifiable intangible assets as of June 30, 2010:

	Estimated lives		Cost basis		Accumulated Amortization		Net carrying amount
Trade name	6–10 years	$	4,300	$	320	$	3,980
Customer relationships	10 years		11,709		2,564		9,145
License agreements	3–6 years		5,600		4,591		1,009
Non-compete agreement	5 years		1,380		683		697
Other	3 years		14		14		—
		$	23,003	$	8,172	$	14,831

The estimated future amortization expense of purchased intangibles as of June 30, 2010 is as follows:

2010 (remaining six months)	$	1,470
2011		2,412
2012		1,673
2013		1,673
2014		1,673
Thereafter		5,930
	$	14,831

Note T – Comprehensive Income

Comprehensive income for the three- and six-month periods ended June 30, 2010, after considering other comprehensive income including unrealized gain on marketable securities of $436 and $656, was $20,235 and $35,840, respectively. For the comparable periods ended June 30, 2009, after considering other comprehensive gain on marketable securities of $261 and $299, comprehensive income was $12,405 and $19,020, respectively.

NOTE U – COMMITMENTS, CONTINGENCIES AND OTHER

Legal proceedings:

(a) On June 24, 2009, The Center For Environmental Health filed a lawsuit, *Center for Environmental Health v. Lulu NYC, LLC, Steve Madden, Ltd., Steve Madden Retail, Inc., et al.*, Case No. RG09459448, in California Superior Court, Alameda County, against the Company and dozens of other California retailers and vendors of leather, vinyl and/or imitation leather handbags, belts and shoes alleging that the retailers and vendors failed to warn that certain of such products may expose California citizens to lead and lead compounds. The parties have been in negotiations to resolve the matters informally and have finalized the substance of a consent judgment, the terms of which are not material to the Company's Condensed Consolidated Financial Statements.

(b) On June 24, 2009, a class action lawsuit, *Shahrzad Tahvilian, et al. v. Steve Madden Retail, Inc. and Steve Madden, Ltd.*, Case No. BC 414217, was filed in the Superior Court of California, Los Angeles County, against the Company and its wholly-owned subsidiary, Steven Madden Retail, Inc. The complaint, which seeks unspecified damages, alleges violations of California labor laws, including, among other things, that the Company failed to provide mandated meal breaks to its employees and failed to provide overtime pay as required. The Company filed an answer in the litigation denying all allegations stated in the complaint. In March of 2010, the parties submitted the claim to private mediation and a resolution has been delayed until August 2010 pending further discovery. The Company, with the advic e of legal counsel, has evaluated the liability in this case and believes that it is not likely to exceed $1,000. Accordingly, the Company accrued $1,000 in the fiscal year 2009. The accrual is subject to change to reflect the status of this matter.

(c) On August 10, 2005, following the conclusion of an audit of the Company conducted by auditors for U.S. Customs and Border Protection ("U.S. Customs") during 2004 and 2005, U.S. Customs issued a report that asserts that certain commissions that the Company treated as "buying agents' commissions" (which are non-dutiable) should be treated as "selling agents' commissions" and hence are dutiable. In September of 2007, U.S. Customs notified the Company that it had finalized its assessment of the underpaid duties at $1,400. On October 20, 2005, U.S. Immigration and Customs Enforcement notified the Company's legal counsel that a formal investigation of the Company's importing practices had been commenced as a result of the audit. The Company has contested the conclusions of the U.S. Customs audit an d filed a request for review and issuance of rulings thereon by U.S. Customs Headquarters, Office of Regulations and Rulings, under internal advice procedures. On November 28, 2007, U.S. Customs Headquarters informed the Company that its request for internal advice had been accepted and was under review. All efforts by U.S. Customs to collect additional duties, fees, interest or penalties have been stayed pending final decision of U.S. Customs Headquarters. In the event that the U.S. Customs auditors' position is ultimately upheld, the Company may be subject to monetary penalties. A final determination of the matter may not occur for several months or even years. The Company, with the advice of legal counsel, evaluated the liability in the case, including additional duties, interest and penalties, and believes that it is not likely to exceed $2,700. Therefore, as of December 31, 2007, the Company had recorded a total reserve of $2,700 that was increased by $256 in 2008 and $89 in 2009 to reflect antici pated additional interest costs, bringing the reserve as of December 31, 2009 and 2008 to $3,045 and $2,956, respectively. Such reserve is subject to change to reflect the status of this matter.

(d) The Company has been named as a defendant in certain other lawsuits in the normal course of business. In the opinion of management, after consulting with legal counsel, the liabilities, if any, resulting from these matters should not have a material effect on the Company's financial position or results of operations. It is the policy of management to disclose the amount or range of reasonably possible losses in excess of recorded amounts.

($ in thousands except share and per share data)

NOTE V – OPERATING SEGMENT INFORMATION

The Company operates the following business segments: Wholesale Footwear, Wholesale Accessories, Retail, First Cost and Licensing. The Wholesale Footwear segment, through sales to department stores, mid-tier retailers and specialty stores worldwide, derives revenue from sales of branded and private label women's, men's, girls' and children's footwear. The Wholesale Accessories segment, which includes branded and private label handbags, belts and small leather goods, derives revenue from sales to department, mid-tier and specialty stores worldwide. The Retail segment, through the operation of Company owned retail stores and the Company's website, derives revenue from sales of branded women's, men's and children's footwear, accessories and licensed products. The First Cost segment represent s activities of a subsidiary which earns commissions for serving as a buying agent and as a selling agent of footwear products to mass-market merchandisers, mid-tier department stores and other retailers with respect to their purchase of footwear. In the License segment, the Company licenses its Steve Madden® and Steven by Steve Madden® trademarks for use in connection with the manufacturing, marketing and sale of cold weather accessories, sunglasses, eyewear, outerwear, bedding, hosiery and women's fashion apparel and jewelry.

	Wholesale Footwear	Wholesale Accessories	**Total Wholesale**	**Retail**	**First Cost**	**Licensing**	**Consolidated**
As of and three months ended, June 30, 2010:							
Net sales to external customers	$ 104,170	$ 25,023	**$ 129,193**	**$ 29,471**			**$ 158,664**
Gross profit	40,135	9,875	**50,010**	**18,839**			**68,849**
Commissions and licensing fees - net	—	—	—	—	**$ 4,413**	**$ 816**	**5,229**
Income from operations	20,442	4,430	**24,872**	**1,952**	**4,413**	**816**	**32,053**
Segment assets	$ 228,039	$ 77,702	**305,741**	**55,468**	**40,145**	**—**	**401,354**
Capital expenditures			**$ 213**	**$ 351**	**$ —**	**$ —**	**$ 564**
June 30, 2009:							
Net sales to external customers	$ 74,204	$ 13,993	$ 88,197	$ 28,275			$ 116,472
Gross profit	28,345	4,134	32,479	17,084			49,563
Commissions and licensing fees - net	—	—	—	—	$ 6,389	$ 973	7,362
Income (loss) from operations	10,803	754	11,557	453	6,389	973	19,372
Segment assets	$ 183,252	$ 45,484	228,736	44,907	9,241	—	282,884
Capital expenditures			$ 212	$ 250	$ —	$ —	$ 462

Notes to Condensed Consolidated Financial Statements - Unaudited
June 30, 2010
($ in thousands except share and per share data)

NOTE V – OPERATING SEGMENT INFORMATION (CONTINUED)

	Wholesale Footwear	Wholesale Accessories	Total Wholesale	Retail	First Cost	Licensing	Consolidated
As of and six months ended, June 30, 2010:							
Net sales to external customers	$ 186,925	$ 45,360	**$ 232,285**	**$ 57,987**			**$ 290,272**
Gross profit	75,567	18,213	**93,780**	**35,006**			**128,786**
Commissions and licensing fees - net	—	—	—	—	**$ 9,359**	**$ 2,054**	**11,413**
Income (loss) from operations	37,183	7,485	**44,668**	**831**	**9,359**	**2,054**	**56,912**
Segment assets	$ 228,039	$ 77,702	**305,741**	**55,468**	**40,145**	**—**	**401,354**
Capital expenditures			**$ 477**	**$ 755**	**$ —**	**$ —**	**$ 1,232**
June 30, 2009:							
Net sales to external customers	$ 139,405	$ 30,077	$ 169,482	$ 54,419			$ 223,901
Gross profit	54,147	9,310	63,457	29,593			93,050
Commissions and licensing fees - net	—	—	—	—	$ 8,457	$ 1,810	10,267
Income (loss) from operations	21,665	2,800	24,465	(5,056)	8,457	1,810	29,676
Segment assets	$ 183,252	$ 45,484	228,736	44,907	9,241	—	282,884
Capital expenditures			$ 403	$ 1,241	$ —	$ —	$ 1,644

Revenues by geographic area for the three- and six-month periods ended June 30, 2010 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2010	**2009**	**2010**	**2009**
Domestic	**$ 150,662**	$ 111,307	**$ 276,659**	$ 213,552
International	**8,002**	5,165	**13,613**	10,349
Total	**$ 158,664**	$ 116,472	**$ 290,272**	$ 223,901

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Company's financial condition and results of operations should be read in conjunction with the unaudited Financial Statements and Notes thereto appearing elsewhere in this Quarterly Report.

This Quarterly Report contains certain forward-looking statements as that term is defined in the federal securities laws. The events described in forward-looking statements contained in this Quarterly Report may not occur. Generally forward-looking statements relate to business plans or strategies, projected or anticipated benefits or other consequences of our plans or strategies, projected or anticipated benefits from acquisitions to be made by us, or projections involving anticipated revenues, earnings or other aspects of our operating results. The words "may", "will", "expect", "believe", "anticipate", "project", "plan", "intend", "estimate", and "continue", and their opposites and similar expressions are intended to identify forward-looking statements. We caution you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond our control, that may influence the accuracy of the statements and the projections upon which the statements are based. Factors that may affect our results include, but are not limited to, the risks and uncertainties discussed in our Annual Report on Form 10-K for the year ended December 31, 2009. Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. Our actual results, performance and achievements could differ materially from those expressed or implied in these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise.

Overview:
($ in thousands, except retail sales data per square foot and earnings per share)

Steven Madden, Ltd. and its subsidiaries (the "Company") designs, sources, markets and retails fashion-forward footwear and accessories for women, men and children. We distribute products through department stores, specialty stores, luxury retailers, national chains, mass merchants, our retail stores and our e-commerce website throughout the United States as well as through special distribution arrangements in Canada, Europe, Central and South America, Australia and Asia. Our product line includes a broad range of updated styles which are designed to establish or capitalize on market trends, complemented by core products. We have established a reputation for our creative designs, popular styles and quality products at affordable price points.

On March 24, 2010, the Board of Directors declared a 3-for-2 stock split of the Company's outstanding shares of common stock, to be effected in the form of a stock dividend on the Company's outstanding common stock. Stockholders of record at the close of business on April 20, 2010 received one additional share of Steven Madden Ltd. common stock for every two shares of common stock owned on this date. The additional shares were distributed on May 3, 2010. Stockholders received cash in lieu of any fractional shares of common stock they otherwise would have received in connection with the dividend. All share and per share data provided herein gives effect to this stock split, applied retroactively.

Regarding our financial results, we achieved the highest quarterly sales and earnings results in the Company's history. Our consolidated net sales increased 36% to $158,664 in the second quarter of 2010 when compared to consolidated net sales of $116,472 achieved in the same period of last year. Net income increased 63% in the second quarter of this year to $19,799, compared with $12,144 in the same period last year. As a percentage of net sales, our net income improved to 12% in the second quarter of 2010 from 10% in the same period of last year. Diluted earnings per share for the second quarter of 2010 increased 59% to $0.70 per share on 28,303,000 diluted weighted average shares outstanding compared to $0.44 per share on 27,441,000 diluted weighted average shares outstanding in the second quarter of last year.

Our recent diversification into new brands and product lines has partially contributed to the revenue growth achieved in this quarter. Elizabeth and James, introduced in May of 2009, continues to grow its business with retailers including Neiman Marcus, Saks Fifth Avenue, Nordstrom and others. We introduced Olsenboye, our new collaboration with Mary-Kate and Ashley Olson, in the first quarter of this year. We are producing footwear and accessories under the Olsenboye brand name. Olsenboye is distributed exclusively at JC Penney. Our new men's line, Madden, has contributed to the sales growth in our Men's division. The Madden brand offers fashionable products for men at more moderate prices than the Steve Madden brand. In our accessories segment, our two recent acquisitions, Madden Zone, which we acquired in July of last yea r, and Big Buddha, which we acquired in February of 2010, have both contributed to the revenue growth in our accessories division.

In our retail segment, same store sales (sales of those stores, including the e-commerce website, that were in operation throughout the second quarters of 2010 and 2009) increased 7.4%. As of June 30, 2010, we had 84 stores in operation, compared to 92 stores as of June 30, 2009. During the twelve months ended June 30, 2010, sales per square foot improved to $690 compared to $627 achieved in the same period of 2009.

Our annualized inventory turnover improved to 9.9 times in the second quarter of 2010 from 8.6 times in the second quarter of 2009. Our accounts receivable average days outstanding was 55 days in the second quarter of 2010 compared to 52 days in the second quarter of the previous year. As of June 30, 2010, we had $163,962 in cash, cash equivalents and marketable securities, no short- or long-term debt, and total stockholders' equity of $307,171. Working capital increased to $141,478 as of June 30, 2010, compared to $118,031 on June 30, 2009.

The following tables set forth certain selected financial information relating to the results of operations for the periods indicated:

Selected Financial Information
Three Months Ended
June 30
($ in thousands)

		2010			2009	
CONSOLIDATED:						
Net sales	**$**	**158,664**	**100%**	$	116,472	100%
Cost of sales		**89,815**	**57**		66,909	57
Gross profit		**68,849**	**43**		49,563	43
Other operating income – net of expenses		**5,229**	**3**		7,362	6
Operating expenses		**42,025**	**26**		37,553	32
Income from operations		**32,053**	**20**		19,372	17
Interest and other income – net		**942**	**1**		368	0
Income before income taxes		**32,995**	**21**		19,740	17
Net income		**19,799**	**12**		12,144	10
By Segment:						
WHOLESALE FOOTWEAR SEGMENT:						
Net sales	**$**	**104,170**	**100%**	$	74,204	100%
Cost of sales		**64,035**	**61**		45,859	62
Gross profit		**40,135**	**39**		28,345	38
Operating expenses		**19,693**	**19**		17,542	24
Income from operations		**20,442**	**20**		10,803	15
WHOLESALE ACCESSORIES SEGMENT:						
Net sales	**$**	**25,023**	**100%**	$	13,993	100%
Cost of sales		**15,148**	**61**		9,859	70
Gross profit		**9,875**	**39**		4,134	30
Operating expenses		**5,445**	**22**		3,380	24
Income from operations		**4,430**	**18**		754	5
RETAIL SEGMENT:						
Net sales	**$**	**29,471**	**100%**	$	28,275	100%
Cost of sales		**10,632**	**36**		11,191	40
Gross profit		**18,839**	**64**		17,084	60
Operating expenses		**16,887**	**57**		16,631	59
Income from operations		**1,952**	**7**		453	2
Number of stores		**84**			92	
FIRST COST SEGMENT:						
Other commission income – net of expenses	**$**	**4,413**	**100%**	$	6,389	100%
LICENSING SEGMENT:						
Licensing income – net of expenses	**$**	**816**	**100%**	$	973	100%

Selected Financial Information
Six Months Ended
June 30
($ in thousands)

	2010			2009		
CONSOLIDATED:						
Net sales	$	290,272	100%	$	223,901	100%
Cost of sales		161,486	56		130,851	58
Gross profit		128,786	44		93,050	42
Other operating income – net of expenses		11,413	4		10,267	4
Operating expenses		83,287	29		73,641	33
Income from operations		56,912	20		29,676	13
Interest and other income – net		1,726	1		764	1
Income before income taxes		58,638	20		30,440	14
Net income		35,184	12		18,721	8
By Segment:						
WHOLESALE FOOTWEAR SEGMENT:						
Net sales	$	186,925	100%	$	139,405	100%
Cost of sales		111,358	60		85,258	61
Gross profit		75,567	40		54,147	39
Operating expenses		38,384	21		32,482	23
Income from operations		37,183	20		21,665	16
WHOLESALE ACCESSORIES SEGMENT:						
Net sales	$	45,360	100%	$	30,077	100%
Cost of sales		27,147	60		20,767	69
Gross profit		18,213	40		9,310	31
Operating expenses		10,728	24		6,510	22
Income from operations		7,485	17		2,800	9
RETAIL SEGMENT:						
Net sales	$	57,987	100%	$	54,419	100%
Cost of sales		22,981	40		24,826	46
Gross profit		35,006	60		29,593	54
Operating expenses		34,175	59		34,649	63
Income (loss) from operations		831	1		(5,056)	(9)
Number of stores		84			92	
FIRST COST SEGMENT:						
Other commission income – net of expenses	$	9,359	100%	$	8,457	100%
LICENSING SEGMENT:						
Licensing income – net of expenses	$	2,054	100%	$	1,810	100%

RESULTS OF OPERATIONS
($ in thousands)

Three Months Ended June 30, 2010 Compared to Three Months Ended June 30, 2009

Consolidated:

Net sales for the three months ended June 30, 2010 increased by 36.2% to $158,664 from $116,472 for the comparable period of 2009. Our gross margin increased to 43.4% for the second quarter of 2010 from 42.6% in the same period of 2009. Operating expenses increased in the second quarter of this year to $42,025 from $37,553 in the same period last year. As a percentage of sales, operating expenses decreased to 26.5% in the second quarter of 2010 from 32.2% in the same period of last year, reflecting leverage gained from sales increases. Our commission and licensing fee income decreased to $5,229 in the second quarter of 2010 compared to $7,362 in the second quarter of 2009, primarily due to the transition of one of the Company's mass merchant customers from a "first cost" model to a "wholesale" model that w as initiated in the first quarter of 2010. Net income for the second quarter of 2010 increased 62.8% to $19,799 compared to net income for the quarter ended June 3, 2009 of $12,144.

Wholesale Footwear Segment:

Net sales from the Wholesale Footwear segment accounted for $104,170 or 65.6%, and $74,204 or 63.7% of our total net sales for the second quarter of 2010 and 2009, respectively. All of our Wholesale footwear divisions experienced net sales increases in the second quarter of 2010 over the second quarter of 2009, with double-digit increases in our Madden Girl, Madden Men's, Steven, Kids, Elizabeth and James and International divisions. Net sales in the Steve Madden Women's Division increased primarily due to an expansion of our Dillard's business combined with the strong performance of wedges and dress shoes during the quarter. The net sales growth in Madden Girl is due to deeper market penetration combined with the success of the dress shoe, flat sandal and boot categories. In our Steve Madden Men's Division, the sales increase is primarily due to our new business with Journey's combined with the strong performance of the casual shoe category during the quarter. In addition, our new men's line, Madden, has been met with a favorable response, and has contributed to the net sales growth in the Men's Division. In our Steven Division, net sales increased in the second quarter of 2010 primarily due to an increase in shipments to the Steven Division's largest customer Nordstrom, combined with strong sales of wedges during the quarter. Strong selling of flats and boots resulted in a net sales increase in our Kids Division. The Elizabeth and James Division, our new brand that began shipping in the second quarter of 2009, posted another quarter of improved sales primarily to upper tier retailers such as Nordstrom, Saks and Neiman Marcus. Finally, the net sales increase in our International Division was propelled by the Division's significant growth trend in Eastern Asia and expansion into new co untries

Gross profit margin in the Wholesale Footwear segment increased 30 basis points to 38.5% in the second quarter of this year from 38.2% in the same period last year, primarily due to fewer markdowns. In the second quarter of 2010, operating expenses increased to $19,693 from $17,542 in the second quarter last year. As a percentage of sales, operating expenses improved to 18.9% in the current quarter from 23.6% in the same period of last year reflecting our ability to control our fixed costs during a period of double-digit sales growth. As a result of the increases in sales and gross margin net of an increase in operating expenses, income from operations of the Wholesale segment increased 89.2% to $20,442 for the three-month period ended June 30, 2010 compared to $10,803 for the three-month period ended June 30, 2009.

Wholesale Accessories Segment:

Net sales generated by the Wholesale Accessories segment accounted for $25,023 or 15.8%, and $13,993 or 12.0% of total Company net sales for the second quarters of 2010 and 2009, respectively. This 78.8% increase in net sales was driven by the sales contributed from our two recent acquisitions, Madden Zone (acquired in July of 2009) and Big Buddha (acquired in February of 2010). In addition, a more than 100% increase in sales of Steve Madden Handbags was partially offset by net sales decreases in Betseyville and Steven handbag product lines.

Gross profit margin in the Wholesale Accessories segment increased to 39.5% in the second quarter of this year from 29.5% in the same period last year, primarily due to the significantly higher gross profit margins achieved by our new Big Buddha Division as well as an improvement in gross profit margins for Steve Madden handbags. In the second quarter of 2010, operating expenses increased to $5,445 compared to $3,380 in the prior year primarily due to the incremental costs related to our two recent acquisitions. As a percentage of sales, operating expenses improved to 21.8% in the current quarter from 24.2% in the same period of last year reflecting leverage gained from sales increases. Income from operations for the Wholesale Accessories segment increased to $4,430 for the quarter ended June 30, 2010, compared to $754 for the quarter ended June 30, 2009.

Retail Segment:

In the second quarter of 2010, net sales from the Retail segment accounted for $29,471 or 18.5% of our total net sales compared to $28,275 or 24.3% in the same period last year. We opened two new stores, closed seven under-performing stores and licensed three stores during the twelve months ended June 30, 2010. As a result, we had 84 retail stores as of June 30, 2010 compared to 92 stores as of June 30, 2009. The 84 stores currently in operation include 79 under the Steve Madden brand, four under the Steven brand and one e-commerce website. Comparable store sales (sales of those stores, including the e-commerce website, that were open throughout the second quarters of 2010 and 2009) increased 7.4% in the second quarter of this year. The net sales increase was primarily due to a substantial increase in our average selling price as a res ult of a decrease in promotional sales and the success of wedges and dress shoes during the quarter. In the quarter ended June 30, 2010, gross margin increased 350 basis point to 63.9% from 60.4% in the same period of 2009, primarily due to a decrease in promotional selling. In the second quarter of 2010, operating expenses were $16,887 or 57.3% as a percentage of net sales, and were $16,631 or 58.8% as a percentage of net sales, in the second quarter last year. Income from operations for the Retail segment was $1,952 in the second quarter of this year compared to $453 for the same period in 2009.

First Cost Segment:

The First Cost segment generated net commission income and design fees of $4,413 for the three-month period ended June 30, 2010, compared to $6,389 for the comparable period of 2009. This decrease is primarily due to the transition of one of the Company's mass merchant customers from a "first cost" model to a "wholesale" model that was initiated in the first quarter of 2010.

Licensing Segment:

During the quarter ended June 30, 2010, net licensing income decreased to $816 from $973 in the same period of last year.

Six Months Ended June 30, 2010 Compared to Six Months Ended June 30, 2009

Consolidated:

Net sales increases in all of our business segments resulted in a 29.6% increase in total net sales to $290,272 for the six-month period ended June 30, 2010 from $233,901 for the comparable period of 2009. During the six months ended June 30, 2010, gross margin improved 280 basis points to 44.4% compared to 41.6% in the same period of last year. As a percentage of sales, operating expenses decreased in the first half of this year to 28.7% from 32.9% in the same period last year. Commission and licensing fee income increased to $11,413 in the first six months of 2010 compared to $10,267 in the first six months of 2009. Net income increased 87.9% to $35,184 in the first six months of this year compared to $18,721 in the same period last year.

Wholesale Footwear Segment:

Net sales from the Wholesale Footwear segment accounted for $186,925 or 64.4% and $139,405 or 62.3% of our total net sales for the first six months of 2010 and 2009, respectively. While all of our Wholesale footwear divisions posted net sales increases during the period ended June 30, 2010, our Madden Girl, Madden Men's, Steven, Kids and International divisions all achieved significant double-digit increases in the period. In the Steve Madden Women's Division, net sales increased primarily due to an expansion of our Dillard's business combined with the strong performance of wedges and dress shoes during the period. The net sales growth in Madden Girl is due to deeper market penetration combined with the success of the dress shoe and flat sandal categories throughout the period combined with strong boot sales in the se cond quarter and the success of wedges in the first quarter of 2010. In our Steve Madden Men's Division, the sales increase is primarily due to our new business with Journey's combined with the strong performance of the casual shoe category during the period in addition to strong dress shoe selling during the first quarter. In addition, our new men's line, Madden, has been met with a favorable response, and has contributed to the net sales growth in the Men's Division. In our Steven Division, net sales increased in the second quarter of 2010 primarily due to an increase in shipments to the Steven Division's largest customer Nordstrom, combined with strong sales of wedges during the second quarter and strong casual boot selling in the first quarter. Strong selling of flats and boots resulted in a net sales increase in our Kids Division. The Elizabeth and James Division, our new brand that began shipping in the second quarter of 2009, continued its growth trend primarily with uppe r tier retailers such as Nordstrom, Saks and Neiman Marcus. Finally, the net sales increase in our International Division was propelled by the Division's significant growth trend in Eastern Asia and expansion into new countries.

Gross profit margin increased 160 basis points to 40.4% in the first six months of this year from 38.8% in the same period last year, primarily due to a decrease in off-price sales and markdowns. In the first six months of 2010, operating expenses increased to $38,384 from $32,482 in the same period of 2009. As a percentage of sales, operating expenses improved to 20.5% in the current quarter from 23.3% in the same period of last year reflecting leverage gained from sales increases. Income from operations for the Wholesale Segment increased 71.6% to $37,183 for the six-month period ended June 30, 2010 compared to $21,665 for the same period of 2009.

Wholesale Accessories Segment:

Net sales generated by the Wholesale Accessories segment accounted for $45,360 or 15.6% and $30,077 or 13.4% of total Company net sales for the six months ended June 30 of 2010 and 2009, respectively. The 51% growth in net sales in the Accessories segment is due to the sales contributed by our two recent acquisitions, Madden Zone Division (acquired in July of 2009) and Big Buddha (acquired in February of 2010). In addition, significant increases in sales of Steve Madden Handbags and private label belts were partially offset by a net sales decrease in Betseyville brand.

Gross profit margin in the Wholesale Accessories segment increased 920 basis points to 40.2% in the first half of this year from 31.0% in the same period last year, primarily due to the significantly higher gross profit margins achieved by our new Big Buddha Division combined with a change in the mix of products and lower markdown allowances. In the first six months of 2010, operating expenses increased to $10,728 compared to $6,510 in the first six months of 2009, primarily due to the incremental operating expenses associated with our new Madden Zone and Big Buddha divisions. Income from operations for the Wholesale Accessories segment increased to $7,485 for the six months ended June 30, 2010 compared to $2,800 for the same period of 2009.

Retail Segment:

In the first six months of 2010, net sales from the Retail segment accounted for $57,987 or 20.0% of our total net sales compared to $54,419 or 24.3% in the same period last year. We opened two new stores, closed seven under-performing stores and licensed three stores during the twelve months ended June 30, 2010. As a result, we had 84 retail stores as of June 30, 2010 compared to 92 stores as of June 30, 2009. The 84 stores currently in operation include 79 under the Steve Madden brand, four under the Steven brand and one e-commerce website. Comparable store sales (sales of those stores, including the e-commerce website, that were open throughout the first six months of 2010 and 2009) increased 10.7% in the first six months of this year. The net sales increase was primarily due to a substantial increase in our average selling price as a result of a decrease in promotional sales and the success of wedges and dress shoes during the second quarter and strong boot sales during the first quarter of the year. The gross margin in the Retail segment increased to 60.4% in the six months ended June 30, 2010 from 54.4% in the corresponding six months of 2009 primarily due to the decrease in promotional selling. During the six months ended June 30, 2010, operating expenses decreased to $34,175 or 58.9% as a percentage of net sales, from $34,649 or 63.7% as a percentage of net sales in the same period of last year, primarily due to the eight fewer stores open in the current period. Income from operations for the Retail segment was $831 in the first six months of this year compared to a loss from operations of $5,056 for the same period in 2009.

First Cost Segment:

The First Cost segment generated net commission income and design fees of $9,359 for the six-month period ended June 30, 2010 compared to $8,457 for the comparable period of 2009. The growth in the First Cost Division was driven by an increase in revenues from Target, Kohl’s, JC Penney and K-mart that was partially offset by the transition of one of the Company’s mass merchant customers from a “first cost” model to a “wholesale” model that was initiated in the first quarter of 2010.

Licensing Segment:

During the six months ended June 30, 2010, licensing income increased to $2,054 from $1,810 in the same period of last year.

LIQUIDITY AND CAPITAL RESOURCES
($ in thousands)

On July 10, 2009, we entered into a collection agency agreement with Rosenthal & Rosenthal, Inc. ("Rosenthal") that became effective on September 15, 2009. The agreement provides us with a credit facility in the amount of $30,000, having a sub-limit of $15,000 on the aggregate face amount of letters of credit, at an interest rate that, at our election, is tied to either the prime rate or LIBOR. The agreement can be terminated by Rosenthal at any time with 60 days' prior written notice, or by us at any time after the expiration of the first contract year with 60 days' prior written notice. As of June 30, 2010, we have no borrowings against the credit facility.

As of June 30, 2010, we had working capital of $141,478. We had cash and cash equivalents of $42,807, investments in marketable securities of $121,155 and we did not have any long term debt.

We believe that based upon our current financial position and available cash, cash equivalents and marketable securities, we will meet all of our financial commitments and operating needs for at least the next twelve months.

OPERATING ACTIVITIES
($ in thousands)

During the six-month period ended June 30, 2010, net cash provided by operating activities was $20,851. The primary sources of cash were the net income of $35,184 and an increase in accounts payable of $24,816. The primary uses of cash were an increase in accounts receivable of $947, an increase in due from factor of $23,882, an increase in inventory of $13,713 and an increase in prepaid expenses, deposits and other assets of $6,350.

INVESTING ACTIVITIES
($ in thousands)

During the six-month period ended June 30, 2010, we invested $44,917 in marketable securities and received $10,092 from the maturities and sales of securities. We also paid $11,119 for the acquisition of Big Buddha. Additionally, we made capital expenditures of $1,232, principally for the one new store opened in the current period and leasehold improvements to our showroom and for systems enhancements.

FINANCING ACTIVITIES
($ in thousands)

During the six-month period ended June 30, 2010, we received $1,913 in cash and realized a tax benefit of $2,512 in connection with the exercise of stock options. We repurchased 141,000 shares of the Company's common stock at a total cost of $4,559.

CONTRACTUAL OBLIGATIONS
($ in thousands)

Our contractual obligations as of June 30, 2010 were as follows:

	Payment due by period				
Contractual Obligations	**Total**	**Remainder of 2010**	**2011-2012**	**2013-2014**	**2015 and after**
Operating lease obligations	$ 114,516	$ 8,612	$ 33,748	$ 28,353	$ 43,803
Purchase obligations	108,556	108,556	—	—	—
Contingent payment liability	12,000	—	7,500	4,500	
Other long-term liabilities (future minimum royalty payments)	6,597	1,323	4,374	900	—
Total	$ 241,669	$ 118,491	$ 45,622	$ 33,753	$ 43,803

At June 30, 2010, we had un-negotiated open letters of credit for the purchase of inventory of approximately $4,052.

We have an employment agreement with Steven Madden, our founder and Creative and Design Chief, which provides for an annual base salary of $600 subject to certain specified adjustments through December 31, 2019. The agreement also provides for annual bonuses based on EBITDA, revenue of any new business and royalty income over $2 million, plus an equity grant and a non-accountable expense allowance.

We have employment agreements with certain executive officers, which provide for the payment of compensation aggregating approximately $1,314 during the remaining six months of 2010, $1,713 in 2011 and $1,211 in 2012. In addition, some of the employment agreements provide for a discretionary bonus and some provide for incentive compensation based on various performance criteria as well as other benefits including stock options. Our Chief Operating Officer is entitled to deferred compensation calculated as a percentage of his base salary.

In connection with our acquisition of Big Buddha during the first fiscal quarter of 2010, we are subject to potential earn-out payments to the seller of Big Buddha based on the annual performance of Big Buddha through March 31, 2013.

Ninety-nine percent (99%) of our products are produced by third-party manufacturing companies overseas, the majority of which are located in China, with a small percentage located in Mexico, Brazil, Italy, Spain and India. We have not entered into any long-term manufacturing or supply contracts with any of these foreign companies. We believe that a sufficient number of alternative sources exist outside of the United States for the manufacture of our products. We currently make almost all of our purchases in U.S. dollars.

INFLATION

We do not believe that the inflation experienced over the last few years in the United Sates, where we primarily compete, has had a significant effect on the Company’s sales or profitability. Historically, we have minimalized the impact of product cost increases by improving operating efficiencies, changing suppliers and increasing prices. However, no assurance can be given that we will be able to offset such inflationary cost increases in the future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES AND THE USE OF ESTIMATES

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our Condensed Consolidated Financial Statements which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, sales and expenses, and related disclosure of contingent assets and liabilities. Estimates by their nature are based on judgments and available information. Our estimates are made based upon historical factors, current circumstances and the experience and judgment of management. Assumptions and estimates are evaluated on an ongoing basis and we may employ outside experts to assist in evaluations. Therefore, actual results could materially differ from those estimates under different a ssumptions and conditions. Management believes the following critical accounting estimates are more significantly affected by judgments and estimates used in the preparation of our Condensed Consolidated Financial Statements: allowance for bad debts, returns, and customer chargebacks; inventory reserves; valuation of intangible assets; litigation reserves and cost of sales.

Allowances for bad debts, returns and customer chargebacks. We provide reserves against our trade accounts receivables for future customer chargebacks, co-op advertising allowances, discounts, returns and other miscellaneous deductions that relate to the current period. The reserve against our non-factored trade receivables also includes estimated losses that may result from customers' inability to pay. The amount of the reserve for bad debts, returns, discounts and compliance chargebacks are determined by analyzing aged receivables, current economic conditions, the prevailing retail environment and historical dilution levels for customers. We evaluate anticipated customer markdowns and advertising chargebacks by reviewing several performance indicators for our major custom ers. These performance indicators (which include inventory levels at the retail floors, sell through rates and gross margin levels) are analyzed by Management to estimate the amount of the anticipated customer allowance. Failure to correctly estimate the amount of the reserve could materially impact our results of operations and financial position.

Inventory reserves. Inventories are stated at lower of cost or market, on a first-in, first-out basis. We review inventory on a regular basis for excess and slow moving inventory. The review is based on an analysis of inventory on hand, prior sales, and expected net realizable value through future sales. The analysis includes a review of inventory quantities on hand at period-end in relation to year-to-date sales and projections for sales in the foreseeable future as well as subsequent sales. We consider quantities on hand in excess of estimated future sales to be at risk for market impairment. The net realizable value, or market value, is determined based on the estimate of sales prices of such inventory through off-price or discount store channels. The likelihood of any materia l inventory write-down is dependent primarily on the expectation of future consumer demand for our product. A misinterpretation or misunderstanding of future consumer demand for our product, the economy, or other failure to estimate correctly, in addition to abnormal weather patterns, could result in inventory valuation changes, either favorably or unfavorably, compared to the valuation determined to be appropriate as of the balance sheet date.

Valuation of intangible assets. ASC Topic 350, "Intangible – Goodwill and Other", requires that goodwill and intangible assets with indefinite lives no longer be amortized, but rather be tested for impairment at least annually. This accounting guidance also requires that intangible assets with finite lives be amortized over their respective lives to their estimated residual values, and reviewed for impairment in accordance with ASC Topic 360, "Property, Plant and Equipment" ("ASC Topic 360"). In accordance with ASC Topic 360, long-lived assets, such as property, equipment, leasehold improvements and goodwill subject to amortization, are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carry ing amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Litigation reserves. Estimated amounts for litigation claims that are probable and can be reasonably estimated are recorded as liabilities in our Condensed Consolidated Financial Statements. The likelihood of a material change in these estimated reserves would be dependent on new claims as they may arise and the favorable or unfavorable events of a particular litigation. As additional information becomes available, management will assess the potential liability related to the pending litigation and revise their estimates. Such revisions in management's estimates of a contingent liability could materially impact our results of operation and financial position.

Cost of sales. All costs incurred to bring finished products to our distribution center and, in the Retail segment, the costs to bring products to our stores, are included in the cost of sales line item on our Condensed Consolidated Statement of Income. These include the cost of finished products, purchase commissions, letter of credit fees, brokerage fees, material and labor and related items, sample expenses, custom duty, inbound freight, royalty payments on licensed products, labels and product packaging. All warehouse and distribution costs are included in the operating expenses line item of our Condensed Consolidated Statements of Income. We classify shipping costs to customers, if any, as operating expense. Our gross profit margins may not be comparable to other companies i n the industry because some companies may include warehouse and distribution as a component of cost of sales, while other companies report on the same basis as we do and include them in operating expenses.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK
($ in thousands)

We do not engage in the trading of market risk sensitive instruments in the normal course of business. Our financing arrangements are subject to variable interest rates, primarily based on the prime rate and LIBOR. The terms of our collection agency agreements with Rosenthal & Rosenthal can be found in the Liquidity and Capital Resources section under Item 2 and in Note E to the notes to the Condensed Consolidated Financial Statements included in this Quarterly Report.

As of June 30, 2010, we held marketable securities valued at $121,155, which consist primarily of corporate and U.S. government and federal agency bonds. These investments are subject to interest rate risk and will decrease in value if market interest rates increase. We have the ability to hold these investments until maturity. In addition, any decline in interest rates would be expected to reduce our interest income.

ITEM 4. CONTROLS AND PROCEDURES

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our management, including our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of its disclosure controls and procedures as of the end of the fiscal quarter covered by this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were, as of the end of the fiscal quarter covered by this Quarterly Report, effective to ensure that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(d) under the Exchange Act, our management, including our Chief Executive Officer and Chief Financial Officer, has evaluated our internal controls over financial reporting to determine whether any changes occurred during the quarter covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, there has been no such change during the quarter covered by this report.

Part II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

($ in thousands)

Certain legal proceedings in which we are involved are discussed in Note L to our Condensed Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and in Part I Item 3 of that Annual Report. All proceedings discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 which are not indicated therein as having been dismissed remain outstanding.

We have been named as a defendant in certain other lawsuits in the normal course of business. In the opinion of management, after consulting with legal counsel, the liabilities, if any, resulting from these matters should not have a material effect on our financial condition or results of operations. It is the policy of management to disclose the amount or range of reasonably possible losses in excess of recorded amounts.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information as of June 30, 2010 with respect to the shares of common stock repurchased by the Company during the second quarter of fiscal 2010:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Dollar Amount of Shares that May Yet Be Purchased Under the Plans or Programs (1)
4/1/10 – 4/30/10	0	$ 0	0	$ 51,649,000
5/01/10 – 5/31/10	50,000	$ 32.71	50,000	$ 50,013,648
6/1/10 – 6/30/10	90,966	$ 32.14	90,966	$ 47,089,563
Total	140,966	$ 32.34	140,966	$ 47,089,563

(1) The Company’s share repurchase program, which became effective as of January 1, 2004, originally provided for share repurchases in the aggregate amount of $20 million, and has no set expiration or termination date. The Board of Directors has on several occasions increased the amount authorized for repurchase, and on May 25, 2010 increased the amount authorized by an additional $50 million for repurchase of the Company’s outstanding common stock at such price and time as are determined to be in the best interest of the Company. The above table gives effect to the $50 million as if it were in place as of April 1, 2010.

ITEM 6. EXHIBITS

31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

* Filed herewith.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

DATE: August 9, 2010

STEVEN MADDEN, LTD.

/S/ EDWARD R. ROSENFELD

Edward R. Rosenfeld
Chairman and Chief Executive Officer

/S/ ARVIND DHARIA

Arvind Dharia
Chief Financial Officer and Chief Accounting Officer

Exhibit Index

Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
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32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

* Filed herewith.

Exhibit 31.01

CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Edward R. Rosenfeld, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Steven Madden, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ EDWARD R. ROSENFELD

Edward R. Rosenfeld
Chief Executive Officer
August 9, 2010

CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Arvind Dharia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Steven Madden, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ ARVIND DHARIA

Arvind Dharia
Chief Financial Officer and Chief Accounting Officer
August 9, 2010

Exhibit 32.01

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Steven Madden, Ltd. (the “Company”) on Form 10-Q for the quarter ended June 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Edward R. Rosenfeld, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ EDWARD R. ROSENFELD
Edward R. Rosenfeld
Chief Executive Officer
August 9, 2010

Exhibit 32.02

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Steven Madden, Ltd. (the “Company”) on Form 10-Q for the quarter ended June 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Arvind Dharia, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ ARVIND DHARIA

Arvind Dharia
Chief Financial Officer and Chief Accounting Officer
August 9, 2010