
FORM 8-K

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

Date of Report (Date of earliest event reported): December 21, 2007

STEVEN MADDEN, LTD.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	000-23702 (Commission file number)	13-3588231 (I.R.S. employer identification no.)
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52-16 Barnett Avenue, Long Island City, New York (Address of principal executive offices)	11104 (Zip code)
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Registrant's telephone number, including area code: (718) 446-1800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On May 16, 2007, Steven Madden, Ltd. (the "Company") entered into a Membership Interest Purchase Agreement (the "Purchase Agreement") whereby it purchased all of the outstanding membership interests of Compo Enhancements, LLC, a Connecticut limited liability company and provider of e-commerce services to the Company ("Compo"), from its owners Jeffrey Silverman (currently the President of the Company), James Randel, Ron Offir, Godfrey Baker, Alyse Nathan and Andrew Rosca (collectively, the "Owners").

In connection with the Purchase Agreement, on May 16, 2007, the Company also entered into an Earn-Out Agreement with the Owners (the "Earn-Out Agreement"). Pursuant to the Earn-Out Agreement, as additional consideration for their membership interests in Compo, the Owners collectively have the right to two contingent purchase price payments of 168,000 shares of the Company's common stock, which shall be paid (if at all) if and when the Company achieves (or exceeds), in two consecutive years, beginning with fiscal year 2008 and ending with fiscal year 2012, certain EBIT Goals (as defined in the Earn-Out Agreement) and certain Diluted EPS Goals (as defined in the Earn-Out Agreement), all as specified in the Earn-Out Agreement. The Purchase Agreement, the Earn-Out Agreement and the Employment Agreement (as defined in Item 5.02 below) were included as Exhibits 10.1, 10.2 and 10.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 18, 2007. Promptly following the execution of the Earn-Out Agreement, the Company purchased, for \$200,000, 20.875% of any future earn-out payment from Mr. Randel.

On December 21, 2007, the Company and Mr. Silverman, and the Company and Mr. Randel each entered into a Settlement and Release Agreement, dated as of December 18, 2007 (together, the "Settlement Agreements"). Each of the Settlement Agreements provides for: the settlement of all disputes between the parties relating to the pre-May 16, 2007 arrangement between Compo and the

Company (the "Pre-Transaction Arrangement"); the forgiveness by the Company of all amounts in respect of the Working Capital Refund (as such term is defined in the Purchase Agreement) that Messrs. Silverman and Randel may be obligated to pay under the Purchase Agreement; and the payment by the Company of certain amounts owed by Compo to the U.S. Customs Service and several vendors to Compo. In addition, the Company and Mr. Silverman agreed that the Company will have no further obligation to Mr. Silverman under the Earn-Out Agreement, and the Company will pay \$600,000 to Mr. Silverman on June 30, 2008. Mr. Randel released the Company and others from any claims arising from or related to the Pre-Transaction Arrangement. Mr. Silverman and Mr. Randel released the Company and others (and the Company released Mr. Silverman, Mr. Randel and others) from any claims arising from or related to the Earn-Out Agreement, the Purchase Agreement, the Pre-Transaction Arrangement and all other matters and events arising prior to the date of the Settlement Agreement..

Attached hereto and incorporated herein by reference as Exhibits 10.1 and 10.2 are the Settlement Agreements.

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

The Company entered into an Employment Agreement (the "Employment Agreement") with Jeffrey Silverman, dated as of May 16, 2007, pursuant to which he became the Company's President. The Employment Agreement provided that it expires on December 31, 2009. Pursuant to the Employment Agreement, the Company agreed to pay to Mr. Silverman an annual base salary of \$600,000. Mr. Silverman was also eligible to receive certain annual cash bonus payments, as described in the Employment Agreement, up to a maximum of \$1,400,000 for any fiscal year, based on the year to year change in EBIT (as defined in the Employment Agreement). In addition, Mr. Silverman was also granted, on the date of the Employment Agreement, (i) an option to purchase an aggregate of 150,000 shares of Company common stock, vesting in 50,000 share increments on the first, second and third anniversaries of the date of the Employment Agreement, with an exercise price of \$45.00 per share, and exercisable for five (5) years from the date of the Employment Agreement and (ii) an option to purchase an aggregate of 150,000 shares of Company common stock, vesting in 50,000 share increments on the first, second and third anniversaries of the date of the Employment Agreement, with an exercise price of \$50.00 per share, and exercisable for five (5) years from the date of the Employment Agreement.

The Company may terminate the Employment Agreement with or without cause (as such term is defined in the Employment Agreement), provided that upon any termination by the Company without cause, the Company will be obligated to continue to pay Mr. Silverman's base salary for the remainder of the Employment Agreement's term. In addition, where the Company terminates Mr. Silverman without cause within 90 days of a change in control (as such term is defined in the Employment Agreement), the Company would be obligated to pay Mr. Silverman an amount equal to three times the total average compensation earned by Mr. Silverman as base salary and annual bonus for the three fiscal years prior the date of termination (or since the effective date of the Employment Agreement, if shorter).

On December 21, 2007, the Company and Mr. Silverman entered into an Amendment to Employment Agreement, dated as of December 18, 2007 (the "Amendment"). The Amendment provides that: the Employment Agreement term will end June 30, 2008, rather than December 31, 2009; Mr. Silverman will assist the Company in transitioning Mr. Silverman's duties in the management of the Company's e-commerce business to a successor executive to be hired by the Company; Mr. Silverman will not be entitled to a bonus pursuant to the Employment Agreement; the stock options granted to Mr. Silverman in connection with the Employment Agreement were cancelled and forfeited; the Amendment shall not constitute a termination for Cause or a Change in Control and Mr. Silverman shall not be entitled a termination payment in connection with the Amendment, his continued employment through the term ending June 30, 2008 or the conclusion of the term on June 30, 2008; the Change in Control provisions of the Employment Agreement were deleted; the definition of Cause was amended; and the non-competition and non-solicitation provisions of the Employment Agreement were amended.

Attached hereto and incorporated herein by reference as Exhibit 10.3 is the Amendment.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

Exhibit No.	Description
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10.1	Settlement and Release Agreement, dated as of December 18, 2007, by and between Steven Madden, Ltd. and Jeffrey Silverman.
10.2	Settlement and Release Agreement, dated as of December 18, 2007, by and between Steven Madden, Ltd. and James Randel.
10.3	Amendment, dated as of December 18, 2007, to Employment Agreement, dated as of May 16, 2007, by and between Steven Madden, Ltd. and Jeffrey Silverman. between Steven Madden, Ltd. and Jeffrey Silverman.

SIGNATURE

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

STEVEN MADDEN, LTD.

By: /s/ Jamieson A. Karson

Name: Jamieson A. Karson
Title: Chief Executive Officer

Date: December 21, 2007

INDEX TO EXHIBITS

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10.2	Settlement and Release Agreement, dated as of December 18, 2007, by and between Steven Madden, Ltd. and James Randel.
10.3	Amendment, dated as of December 18, 2007, to Employment Agreement, dated as of May 16, 2007, by and between Steven Madden, Ltd. and Jeffrey Silverman. between Steven Madden, Ltd. and Jeffrey Silverman.

SETTLEMENT AND RELEASE AGREEMENT

This SETTLEMENT AND RELEASE AGREEMENT (this "Agreement") is made and entered into as of December 21, 2007, by and between Steven Madden, Ltd., a Delaware corporation (the "Company"), and Jeffrey Silverman ("Silverman").

WHEREAS, the parties hereto are parties to that certain Membership Interest Purchase Agreement (the "Purchase Agreement"), dated as of May 16, 2007, by and among the Company and the members (the "Members") of Compo Enhancements, LLC ("Compo") and that certain Earn-Out Agreement, dated as of May 16, 2007, by and among the Company and the Members (the "Earn-Out Agreement"), which were entered into in connection with the Company's acquisition of the outstanding ownership interests of Compo (the "Transaction").

WHEREAS, the parties hereto desire to set forth these and other agreements as set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

Section 1. Settlement. The parties hereby agree that, prior to the consummation of the Transaction, all amounts payable by the Company to Compo were correctly calculated and paid in accordance with the arrangement between Compo and the Company that existed prior to the consummation of the Transaction (the "Pre-Transaction Arrangement"), and that no additional payments are required by either Compo or the Company in respect of the Pre-Transaction Arrangement. In full and final resolution and settlement of (i) all disputes relating to the Pre-Transaction Arrangement and (ii) all obligations of the Company to Silverman, including any payment obligations, pursuant to the Earn-Out Agreement, and in consideration of the release contained in Section 2 hereof, the Company hereby (a) forgives all amounts in respect of the Working Capital Refund (as such term is defined in the Purchase Agreement) that Silverman is obligated to pay to the Company pursuant to Section 2.3(b)(ii) of the Purchase Agreement, and (b) agrees to make all of the Settlement Payments (as hereinafter defined). The parties agree that, as of and following the execution of this Agreement, the Company shall have no further liability or obligation to Silverman pursuant to the Earn-Out Agreement and Silverman shall have no further rights, titles, benefits, or interests in, to or under the Earn-Out Agreement. For purposes of this Section 1, the term "Settlement Payments" means, collectively, (x) a lump-sum payment of \$600,000, in cash, to Silverman which shall be made on June 30, 2008; provided, that if Silverman is terminated without Cause (as such term is defined in Silverman's then current employment agreement with the Company), such payment shall be made within ten (10) days of such termination, (y) the payment of all United States custom fees due by Compo for the Company's imports, and (z) within seven days after the date hereof, (i) the payment of \$20,475.83 to WEEKS-LERMAN GROUP, LLC and \$40,000 to The Preschoolians Company in respect of amounts previously paid by The Preschoolians Company to DHL and credited to the Company's DHL account, and (ii) the delivery to Silverman of a check payable to DHL in the amount of \$23,531.92 for delivery to DHL.

Section 2. Silverman Release. Silverman, on behalf of himself, his employees, agents and representatives, and their respective successors and assigns, past, present and future (the "Silverman Releasing Parties"), hereby releases and forever discharges the Company, its officers, directors, employees, agents and representatives, and their respective successors and assigns, past, present and future (the "Silverman Released Parties"), from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, liabilities, obligations, expenses, losses and demands whatsoever, in law, admiralty, equity or otherwise (collectively, "Claims"), (i) against the Silverman Released Parties which the Silverman Releasing Parties have ever had, now have, or hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever based upon, in connection with, or arising from or related to (a) the parties' respective rights and obligations pursuant to the Earn-Out Agreement and pursuant to the Purchase Agreement and (b) the Pre-Transaction Arrangement, and (ii) against the Silverman Released Parties in connection with, arising from or related to all other matters and events that occurred prior to the date hereof.

Section 3. Company Release. The Company, on behalf of itself and its shareholders, directors, officers, employees, agents and representatives, and their respective heirs, executors, administrators, successors and assigns, past,

present and future (the "Company Releasing Parties"), hereby releases and forever discharges Silverman, his employees, agents and representatives, and their respective heirs, executors, administrators, successors and assigns, past, present and future (the "Company Released Parties"), from any and all Claims (i) against the Company Released Parties which the Company Releasing Parties have ever had, now have, or hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever based upon, in connection with, or arising from or related to (a) the parties' respective rights and obligations pursuant to the Earn-Out Agreement and pursuant to the Purchase Agreement and (b) the Pre-Transaction Arrangement, and (ii) against the Company Released Parties in connection with, arising from or related to all other matters and events that occurred prior to the date hereof.

Section 4. Further Assurances. Each of the parties hereto agree to execute such additional documents and agreements as are necessary to effectuate the intents and purposes of this Agreement.

Section 5. Miscellaneous.

(a) Amendments and Waivers. Neither this Agreement nor any term or provision hereof may be amended or terminated in any manner other than by an instrument in writing signed by each party hereto. Any rights under this Agreement may be waived only by a writing signed by the party entitled to the benefit thereof.

(b) Integration. This Agreement, together with the Purchase Agreement, the Earn-Out Agreement and that certain Employment Agreement, dated as of May 16, 2007, between Silverman and the Company, represent a complete and fully integrated agreement among the parties hereto and supersede any prior proposals, letters or other discussions between or among the parties concerning

the subject matter hereof or thereof, and all such proposals, letters or other discussions are likewise of no binding effect. The parties acknowledge that they entered into this Agreement voluntarily, that they fully understand all of its provisions, and that no representations were made to induce execution of this Agreement that are not expressly contained herein. The Purchase Agreement remains in full force and effect except as expressly modified pursuant to this Agreement.

(c) Governing Law; Disputes. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to its conflict of laws principles. The parties hereto shall seek to settle amicably all disputes arising in connection with this Agreement. If such disputes cannot be so settled, the parties agree that these disputes shall be resolved by use of the federal or state courts in New York City, New York.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(e) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of a signature page to this Agreement.

(f) Interpretation. Each party has been (or has had the opportunity to be) represented by its own counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, no provision of this Agreement will be interpreted in favor of, or against, either of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof and no rule of strict construction will be applied against any party hereto.

(g) Certain Matters. Certain Matters. The Company reaffirms that: (i) Jeffrey Neal LLC (d/b/a Preschoolians) was using the same .net 2.0 code to run its ecommerce business as stevemadden.com, including but not limited to, code for order fulfillment, related items, design your own and made to order fulfillment of orders in China, (ii) Preschoolians LLC (d/b/a Preschoolians) continued to use this code after Compo was purchased by the Company and (iii) Jeffrey Neal LLC has and will continue to have a royalty-free, assignable, worldwide, irrevocable and perpetual right and license to use this code in any manner it chooses. Each of Jeffrey Neal LLC and the Company may freely update and upgrade such code and make derivative works from such code, and each of Jeffrey Neal LLC and the Company respectively shall own the exclusive rights to such updates, upgrades and derivative works as it may make.

(h) Construction. The headings in this Agreement are provided for convenience only and will not affect its construction or interpretation. Unless the context otherwise requires, (i) "or" is disjunctive but not necessarily exclusive, (ii) the word "including" shall mean "including without limitation," (iii) words in the singular include the plural and vice versa, (iv)

the use in this Agreement of a pronoun in reference to a party hereto includes the masculine, feminine or neuter, as the context may require, and (v) any reference to a Section refers to a Section of this Agreement, unless otherwise stated.

(i) No Right of Offset. The payments due to Silverman under this Agreement shall not be subject to any right of offset or reduction for amounts due to the Company by Silverman under any other agreement between Silverman and the Company.

(j) Litigation Expenses. The Company shall reimburse Silverman for the costs of collection, including reasonable attorneys' fees, should Silverman be required to bring suit to collect the amounts set forth in Section 1 of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

STEVEN MADDEN, LTD

By: /s/ Jamieson A. Karson

Name: Jamieson A. Karson
Title: Chairman and Chief Executive
Officer

/s/ Jeffrey Silverman

Jeffrey Silverman

SETTLEMENT AND RELEASE AGREEMENT

This SETTLEMENT AND RELEASE AGREEMENT (this "Agreement") is made and entered into as of December 21, 2007, by and between Steven Madden, Ltd., a Delaware corporation (the "Company"), and James Randel ("Randel").

WHEREAS, the parties hereto are parties to that certain Membership Interest Purchase Agreement (the "Purchase Agreement"), dated as of May 16, 2007, by and among the Company and the members (the "Members") of Compo Enhancements, LLC ("Compo") and that certain Earn-Out Agreement, dated as of May 16, 2007, by and among the Company and the Members (the "Earn-Out Agreement"), which were entered into in connection with the Company's acquisition of the outstanding ownership interests of Compo (the "Transaction").

WHEREAS, the parties hereto desire to set forth these and other agreements as set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

Section 1. Settlement. The parties hereby agree that, prior to the consummation of the Transaction, all amounts payable by the Company to Compo were correctly calculated and paid in accordance with the arrangement between Compo and the Company that existed prior to the consummation of the Transaction (the "Pre-Transaction Arrangement"), and that no additional payments are required by either Compo or the Company in respect of the Pre-Transaction Arrangement. In full and final resolution and settlement of all disputes relating to the Pre-Transaction Arrangement, the Company hereby (a) forgives all amounts in respect of the Working Capital Refund (as such term is defined in the Purchase Agreement) that Randel may be obligated to pay to the Company pursuant to Section 2.3(b)(ii) of the Purchase Agreement, and (b) agrees to make all of the Settlement Payments (as hereinafter defined). For purposes of this Section 1, the term "Settlement Payments" means, collectively, (x) the payment of all United States custom fees due by Compo for the Company's imports, and (y) within seven days after the date hereof, (i) the payment of \$20,475.83 to WEEKS-LERMAN GROUP, LLC and \$40,000 to The Preschoolians Company in respect of amounts previously paid by The Preschoolians Company to DHL and credited to the Company's DHL account, and (ii) the delivery to Jeffrey Silverman of a check payable to DHL in the amount of \$23,531.92 for delivery to DHL.

Section 2. Randel Release. Randel, on behalf of himself, his employees, agents and representatives, and their respective successors and assigns, past, present and future (the "Randel Releasing Parties"), hereby releases and forever discharges the Company, its officers, directors, employees, agents and representatives, and their respective successors and assigns, past, present and future (the "Randel Released Parties"), from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, liabilities,

obligations, expenses, losses and demands whatsoever, in law, admiralty, equity or otherwise (collectively, the "Claims") (i) against the Randel Released Parties which the Randel Releasing Parties have ever had, now have, or hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever based upon, in connection with, or arising from or related to (a) the parties' respective rights and obligations pursuant to the Earn-Out Agreement and pursuant to the Purchase Agreement and (b) the Pre-Transaction Arrangement, and (ii) against the Randel Released Parties in connection with, arising from or related to all other matters and events that occurred prior to the date hereof.

Section 3. Company Release. The Company, on behalf of itself and its shareholders, directors, officers, employees, agents and representatives, and their respective heirs, executors, administrators, successors and assigns, past, present and future (the "Company Releasing Parties"), hereby releases and forever discharges Randel, his employees, agents and representatives, and their respective heirs, executors, administrators, successors and assigns, past, present and future (the "Company Released Parties"), from any and all Claims (i) against the Company Released Parties which the Company Releasing Parties have ever had, now have, or hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever based upon, in connection with, or arising from or related to (a) the parties' respective rights and obligations pursuant to the Earn-Out Agreement and pursuant to the Purchase Agreement and (b) the Pre-Transaction Arrangement, and (ii) against the Company Released

Parties in connection with, arising from or related to all other matters and events that occurred prior to the date hereof.

Section 4. Further Assurances. Each of the parties hereto agree to execute such additional documents and agreements as are necessary to effectuate the intents and purposes of this Agreement.

Section 5. Miscellaneous.

(a) Amendments and Waivers. Neither this Agreement nor any term or provision hereof may be amended or terminated in any manner other than by an instrument in writing signed by each party hereto. Any rights under this Agreement may be waived only by a writing signed by the party entitled to the benefit thereof.

(b) Integration. This Agreement, together with the Purchase Agreement, represents a complete and fully integrated agreement among the parties hereto and supersedes any prior proposals, letters or other discussions between or among the parties concerning the subject matter hereof or thereof, and all such proposals, letters or other discussions are likewise of no binding effect. The parties acknowledge that they entered into this Agreement voluntarily, that they fully understand all of its provisions, and that no representations were made to induce execution of this Agreement that are not expressly contained herein. Nothing in this Agreement will diminish or otherwise affect the parties' respective rights and obligations under any other agreements between the parties, other than as specified in this Agreement. The Purchase Agreement remains in full force and effect except as expressly modified pursuant to this Agreement.

(c) Governing Law; Disputes. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to its conflict of laws principles. The parties hereto shall seek

to settle amicably all disputes arising in connection with this Agreement. If such disputes cannot be so settled, the parties agree that these disputes shall be resolved by use of the federal or state courts in New York City, New York.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(e) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of a signature page to this Agreement.

(f) Interpretation. Each party has been (or has had the opportunity to be) represented by its own counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, no provision of this Agreement will be interpreted in favor of, or against, either of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof and no rule of strict construction will be applied against any party hereto.

(g) Certain Matters. Certain Matters. The Company reaffirms that: (i) Jeffrey Neal LLC (d/b/a Preschoolians) was using the same .net 2.0 code to run its ecommerce business as stevemadden.com, including but not limited to, code for order fulfillment, related items, design your own and made to order fulfillment of orders in China, (ii) Preschoolians LLC (d/b/a Preschoolians) continued to use this code after Compo was purchased by the Company and (iii) Jeffrey Neal LLC has and will continue to have a royalty-free, assignable, worldwide, irrevocable and perpetual right and license to use this code in any manner it chooses. Each of Jeffrey Neal LLC and the Company may freely update and upgrade such code and make derivative works from such code, and each of Jeffrey Neal LLC and the Company respectively shall own the exclusive rights to such updates, upgrades and derivative works as it may make.

(h) Construction. The headings in this Agreement are provided for convenience only and will not affect its construction or interpretation. Unless the context otherwise requires, (i) "or" is disjunctive but not necessarily exclusive, (ii) the word "including" shall mean "including without limitation," (iii) words in the singular include the plural and vice versa, (iv) the use in this Agreement of a pronoun in reference to a party hereto includes the masculine, feminine or neuter, as the context may require, and (v) any reference to a Section refers to a Section of this Agreement, unless otherwise stated.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

STEVEN MADDEN, LTD

By: /s/ Jamieson A. Karson

Name: Jamieson A. Karson
Title: Chairman and Chief Executive
Officer

/s/ James Randel

James Randel

AMENDMENT TO
EMPLOYMENT AGREEMENT

This Amendment to Employment Agreement (this "Amendment"), dated as of December 21, 2007, is by and between Steven Madden, Ltd., a Delaware corporation (the "Company"), and Jeffrey Silverman ("Executive").

WHEREAS, the parties hereto are parties to that certain Employment Agreement, dated as of May 16, 2007 (the "Employment Agreement").

WHEREAS, the parties hereto, acting pursuant to Section 8(g) of the Employment Agreement, desire to amend the Employment Agreement to make certain changes thereto as set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereto agree as follows:

1. Section 1 of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"1. Term. The term of employment shall commence upon the Closing, if one occurs (the "Effective Date") and shall continue until June 30, 2008 (the "Term"), unless terminated earlier as provided herein."

2. Section 2(b) of the Employment Agreement is hereby amended by adding the following text as the last sentence of Section 2(b): "In addition to faithfully and diligently performing his duties as specified herein through the Term, Executive shall, in conformity with the directions of the Company, assist the Company in the hiring and/or training of a person or entity to manage the Company's e-commerce business (the "E-commerce Successor") and shall assist the Company in the transition of such responsibilities from Executive to the E-commerce Successor." In addition, the third sentence of Section 2(b) is hereby deleted and Executive acknowledges and agrees that no violation of such provision has occurred prior to the date hereof.

3. Section 3(b) of the Employment Agreement is hereby deleted in its entirety. The Company and Executive hereby agree that no bonus shall be payable by the Company to Executive pursuant to the Employment Agreement, and all references to any bonus payment elsewhere in the Employment Agreement shall be of no force or effect.

4. Section 3(c) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"(c) Stock Options. The Company and Executive agree that all stock options granted by the Company to Executive under the Company's 2006 Stock Incentive Plan are hereby cancelled and forfeited, effective as of the date hereof. The Company and Executive further agree that (i) the Non-Qualified Stock Option Agreement Pursuant to the Steven Madden, Ltd. 2006 Stock Option Plan, dated as of May 16, 2007, between the Company and Executive in respect of

the grant of options to purchase from the Company 150,000 shares of the Company's common stock at a price per share of \$45.00 and (ii) the Non-Qualified Stock Option Agreement Pursuant to the Steven Madden, Ltd. 2006 Stock Option Plan, dated as of May 16, 2007, between the Company and Executive in respect of the grant of options to purchase from the Company 150,000 shares of the Company's common stock at a price per share of \$50.00, in each case, are hereby terminated in all respects."

5. The parties agree that this Amendment does not constitute a termination by the Company for Cause or a Change in Control as such terms are defined in the Employment Agreement, and Executive shall not receive any payments pursuant to Section 5 of the Employment Agreement in connection with the execution of this Amendment, Executive's continued employment through the Term or the conclusion of the Term on June 30, 2008.

6. The second sentence of Section 4(c) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"For purposes of this Agreement, the term "Cause" shall mean any of the following: (i) the perpetration of an intentional and knowing fraud against or affecting the Company or any of its affiliates or any customer, client, agent, or employee thereof ("fraud," for purposes of this clause (i), meaning a false representation of a material fact, whether by words, conduct, false or misleading allegations or concealment of that which should have been disclosed, which deceives and is intended to deceive another so that he shall act upon it to his legal injury); (ii) the indictment of Executive for (A) a

felony or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud ("indictment," for these purposes, meaning a United States-based indictment, probable cause hearing or any other procedure pursuant to which an initial determination of probable or reasonable cause with respect to such offense is made); or (iii) any material breach by Executive of this Agreement and the failure of Executive to cure such material breach within thirty (30) days after written notice.

7. Each of Section 4(e) and Section 5(d) of the Employment Agreement is hereby deleted in its entirety. The Company and Executive hereby agree that Executive shall not be entitled to receive any payment under the Employment Agreement upon a change in control of the Company (other than the payments Executive is entitled to receive pursuant to Section 5(c) of the Employment Agreement upon the termination of his employment by the Company without Cause), and that all references to any payment upon a change in control of the Company elsewhere in the Employment Agreement shall be of no force or effect. Section 5(c) is hereby amended to provide that the payment of Base Salary shall be payable in a lump sum within ten (10) days of such termination without cause.

8. Section 6(b) of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

"(b) Non-competition; Non-solicitation.

(i) Executive acknowledges and recognizes the highly competitive nature of the Company's business and that access to the Company's confidential records and proprietary information renders him special and unique within the Company's industry. In consideration of the payment by the

Company to Executive of amounts that may hereafter be paid to Executive pursuant to this Agreement (including, without limitation, pursuant to Sections 3 and 5 hereof) and other obligations undertaken by the Company hereunder, Executive agrees that (A) through June 30, 2008 or, if earlier, the date on which Executive's employment is terminated, Executive shall not, directly or indirectly, engage (as owner, investor, partner, stockholder, employer, employee, consultant, advisor, director or otherwise) in any Competing Business, and (B) following the date on which Executive's employment is terminated through December 31, 2011, Executive shall not, directly or indirectly, engage (as owner, investor, partner, stockholder, employer, employee, consultant, advisor, director or otherwise) in any Post-Employment Competing Business; provided, in each case, that the provisions of this Section 6(b)(i)(A) will not be deemed breached merely because Executive, (X) owns less than 3% of the outstanding common stock of a publicly-traded company, (Y) owns no more than 50% of The Preschoolians Company and/or sits on the board of such business, provided that Executive is not active in the management of such business or (Z) participates in The Preschoolians Company business (including being active in the management of such business), so long as (i) such participation does not occur prior to July 1, 2008, and (ii) The Preschoolians Company business is substantially similar in scope and business line and is conducted in a substantially similar manner as it is presently conducted as of the date of this Agreement. For purposes of this Agreement, "Competing Business" shall mean the design, sourcing, marketing and sale of branded footwear to consumers through retail stores and e-commerce business, and "Post-Employment Competing Business" shall mean any of the following businesses: Aldo; Marc Fisher or any entity owned or controlled by Marc Fisher; Jeffrey Campbell; Dolce Vita; Mike Murphy / Facade; Camuto Group; and Nine West.

(ii) In further consideration of the payment by the Company to Executive of amounts that may hereafter be paid to Executive pursuant to this Agreement (including, without limitation, pursuant to Sections 3 and 5 hereof) and other obligations undertaken by the Company hereunder, Executive agrees that: (A) during his employment and through December 31, 2011 (the "Covered Time"), he shall not, directly or indirectly, (i) solicit, encourage or attempt to solicit or encourage any of the employees, agents, consultants or representatives of the Company or any of its affiliates to terminate his, her, or its relationship with the Company or such affiliate, (ii) solicit, encourage or attempt to solicit or encourage any of the employees of the Company or any of its affiliates (other than persons or entities that are subcontractors of The Preschoolians Company as of December 18, 2007 or that were subcontractors of The Preschoolians Company within the twelve months prior to December 18, 2007) to become employees of any other person or entity, or (iii) persuade or seek to persuade any customer of the Company or any affiliate to cease to do business or to reduce the amount of business which any customer has customarily done or contemplates doing with the Company or such affiliate, whether or not the relationship between the Company or its affiliate and such customer was originally established in whole or in part through Executive's efforts; and (B) during his employment, he shall not, directly or indirectly, solicit or attempt to solicit any customer, vendor or distributor of the Company or any of its affiliates with respect to any product or service being furnished, made, sold or leased by the Company or such affiliate; provided that the provisions of Section 6(b)(ii)(A)(iii) will not be deemed breached merely because Executive: (X) owns less than 3% of the outstanding common stock of a publicly-traded company, (Y) owns no more than 50% of The Preschoolians Company and/or sits on the board of such business, provided that Executive is not active in the management of such business, or (Z) is involved in the advertising, marketing and sales of footwear to customers generally without use of any

confidential information of the Company so long as such involvement is in compliance with Section 6(b)(i). For purposes of this Section 6(b) only, the terms "customer," "vendor" and "distributor" shall mean a customer, vendor or distributor who has done business with the Company or any of its affiliates within twelve months preceding the termination of Executive's employment.

(iii) During Executive's employment with the Company, Executive agrees that upon the earlier of Executive's (i) negotiating with any Competitor (as defined below) concerning the possible employment of Executive by the Competitor, (ii) receiving an offer of employment from a Competitor, or (iii) becoming employed by a Competitor, Executive will (A) immediately provide notice to the Company of such circumstances and (B) provide copies of Section 6 of this Agreement to the Competitor. Executive further agrees that the Company may provide notice to a Competitor of Executive's obligations under this Agreement, including without limitation Executive's obligations pursuant to Section 6 hereof. For purposes of this Agreement, "Competitor" shall mean any entity (other than the Company or any of its affiliates) that engages, directly or indirectly, in any Competing Business.

(iv) Executive understands that the provisions of this Section 6(b) may limit his ability to earn a livelihood in a business similar to the business of Compo, the Company or its affiliates but nevertheless agrees and hereby acknowledges that the consideration provided under this Agreement, including any amounts or benefits provided under Sections 3 and 5 hereof and other obligations undertaken by the Company hereunder, is sufficient to justify the restrictions contained in such provisions. In consideration thereof and in light of Executive's education, skills and abilities, Executive agrees that he will not assert in any forum that such provisions prevent him from earning a living or otherwise are void or unenforceable or should be held void or unenforceable."

9. Except as specifically amended hereby, each provision of the Employment Agreement shall continue in full force and effect in accordance with its terms.

10. To the extent of any inconsistency between the terms of the Employment Agreement and this Amendment, the terms of this Amendment will control.

11. This Amendment shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York applicable to contracts made and to be entirely performed therein, without regard to principles of conflicts of laws.

12. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all, of the parties hereto. Any signature delivered by facsimile or electronic mail shall have the same effect as an original hereto.

13. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Employment Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

STEVEN MADDEN, LTD

By: /s/ Jamieson A. Karson

Name: Jamieson A. Karson
Title: Chairman and Chief Executive
Officer

/s/ Jeffrey Silverman

Jeffrey Silverman