

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: October 7, 2009
(Date of earliest event reported)

STEVEN MADDEN, LTD.

(Exact Name of Registrant as Specified in Charter)

Delaware

000-23702

13-3588231

(State or Other Jurisdiction
of Incorporation)

(Commission File Number)

(IRS 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

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:

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

(e) On October 7, 2009, Steven Madden, Ltd. (the “Company”) entered into an employment agreement with Robert Schmertz, the Company’s Brand Director (the “Schmertz Employment Agreement”), and a fourth amendment to its existing employment agreement with Arvind Dharia, the Company’s Chief Financial Officer (the “Dharia Employment Agreement”).

The Schmertz Employment Agreement, the full text of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference, replaces an existing employment agreement with Mr. Schmertz which was to expire by its terms on December 31, 2009. Pursuant to the Schmertz Employment Agreement, Mr. Schmertz will continue to serve as Brand Director of the Company for a term commencing on October 7, 2009 and expiring on December 31, 2012, unless sooner terminated in accordance with the Schmertz Employment Agreement. Mr. Schmertz will continue to be paid during the period from October 7, 2009 through December 31, 2009 an annual salary of \$600,000, the salary reflected in his previous agreement, but his base salary will increase to \$660,000 per year beginning on January 1, 2010 for the duration of the term. Pursuant to the Schmertz Employment Agreement, Mr. Schmertz is entitled to receive a performance bonus for 2009 of \$300,000, minus deductions required to be withheld for taxes (the “2009 Bonus”), \$200,000 of which will be paid to him by October 21, 2009 and the remaining \$100,000 of which will be paid to him on or about March 15, 2010. Future bonuses, if any, are at the absolute discretion of the Board of Directors. Under the Schmertz Employment Agreement, Mr. Schmertz continues to receive a monthly automobile allowance of \$1,250. In addition, the Schmertz Employment Agreement provides for the grant to Mr. Schmertz of an option to purchase 50,000 shares of the Company’s common stock, \$0.0001 per share (the “Common Stock”), under the Steven Madden, Ltd, 2006 Stock Incentive Plan, as amended, at an exercise price equal to the closing market price of the Common Stock on October 7, 2009, the date of execution of the Schmertz Employment Agreement (\$37.10). The option is subject to vesting in equal annual installments of 10,000 shares over a five year period on each anniversary of the date of grant commencing on October 8, 2010. The option will remain exercisable until October 8, 2016.

The Company may terminate the Schmertz Employment Agreement for Cause (as defined therein) in which event Mr. Schmertz would be entitled to receive only his accrued and unpaid base salary through the date of termination. In the event that Mr. Schmertz’s employment is terminated by the Company without Cause, he would be entitled to receive payment of his annual salary, payable at regular payroll intervals, from the date of termination through the remainder of the term plus any accrued and unpaid portion of the 2009 Bonus. In addition, if Mr. Schmertz’s employment is terminated by the Company without Cause during the period commencing 30 days prior to a Change of Control (as defined in the Schmertz Employment Agreement) and ending 180 days after a Change of Control, he would be entitled to receive an amount equal to the lesser of (i) the average amount of total compensation actually received by him during the preceding three calendar years multiplied by 3 and (ii) the maximum amount that is tax deductible to the Company under Section 280G of the Internal Revenue Code, such amount to be in lieu of and not in addition to any other payments to which he would be entitled in the event of the termination of his employment.

The foregoing description of the Schmertz Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Employment Agreement filed as Exhibit 10.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

Also, on October 7, 2009, the Company entered into a fourth amendment (the "Fourth Amendment") to its existing employment agreement, dated January 1, 1998, as amended (the "Dharia Employment Agreement"), with Arvind Dharia, the Company's Chief Financial Officer, which was due to expire on December 31, 2009. The Fourth Amendment, the full text of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference, amends the Dharia Employment Agreement with the Company to: (i) extend the term of Mr. Dharia's employment through December 31, 2011, (ii) increase Mr. Dharia's annual base salary to \$528,304.22, a 10% increase over his current salary, and (iii) increase the amount provided to Mr. Dharia as an automobile allowance from \$1,000 to \$1,200 per month. All other terms of the Dharia Employment Agreement remain unchanged.

The foregoing description of the Fourth Amendment to the Dharia Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Fourth Amendment filed as Exhibit 10.2 to this Current Report on Form 8-K, which is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit	Description
10.1	Employment Agreement, dated October 7, 2009, between the Company and Robert Schmertz
10.2	Amendment No. 4, dated October 7, 2009, to Employment Agreement of Arvind Dharia, between the Company and Arvind Dharia

SIGNATURES

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.

Dated: October 9, 2009

STEVEN MADDEN, LTD.

By: /s/ Edward R. Rosenfeld

Edward R. Rosenfeld
Chief Executive Officer

STEVEN MADDEN, LTD.
52-16 BARNETT AVENUE
LONG ISLAND CITY, NY 11104
T (718) 446-1800

October 7, 2009

Dear Mr. Schmertz:

This letter (the "Agreement") will set forth below the terms and conditions of your employment with Steven Madden, Ltd. (the "Company"):

1. Term of Agreement: October 7, 2009 through December 31, 2012 unless sooner terminated in accordance with Paragraph 8 of this Agreement (the "Term").
 2. Position: Brand Director. You shall report to the Creative and Design Chief or such other person as the Chief Executive Officer shall direct. You shall expend all of your working time to the Company and shall devote your best efforts, energy and skills to the Company and the promotion of its interests; you shall not take part in any activities detrimental to the best interest of the Company.
 3. Salary: \$600,000 per annum (paid in accordance with normal Company practice) from the date hereof through December 31, 2009; and \$660,000 per annum (paid in accordance with normal Company practice) from January 1, 2010 through December 31, 2012.
 4. 2009 Bonus: You shall receive a performance bonus for 2009 of \$300,000 (net of any deductions required to be withheld by any applicable laws and regulations) payable in two installments: (i) \$200,000 payable within two weeks of the signing of this Agreement and (ii) \$100,000 payable on or about March 15, 2010.
 5. Additional Discretionary Bonuses: The Company may pay you a bonus in such amount, if any, and at such time or times, as the Board of Directors may determine in its absolute discretion subject to the Company's ordinary payroll practice.
 6. Car Allowance: You shall receive a car allowance of \$1,250 per month.
 7. Stock Options: On October 8, 2009, you shall be granted 50,000 options. The options shall vest 20% each year for five years commencing on the first anniversary date of the grant of the options, have a term of seven years and have an exercise price equal to the market price on the last trading day prior to the grant date.
 8. Termination:
 - (a) Involuntary Termination. The Company has the right to terminate your employment, on written notice to you, at any time without Cause (as defined below). In the event the Company terminates your employment without Cause, then the Term shall terminate immediately, and you shall be entitled to receive only (i) Salary payments described in Paragraph 3, at the regular intervals of payment, from the date of termination through the date this Agreement would have otherwise terminated but for the involuntary termination plus (ii) any accrued and unpaid Bonus amount described in Paragraph 4.
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(b) Voluntary Termination by you or Termination for Cause. You shall have the right to terminate your employment at any time for any reason (“Voluntary Termination”) and the Company shall have the right to terminate your employment at any time for Cause, on written notice to you, setting forth in reasonable detail the facts and circumstances resulting in the Cause upon which such termination is based. In the event of a Voluntary Termination or a termination by the Company for Cause, the Term shall terminate immediately and you shall be entitled only to any accrued and unpaid Salary described in Paragraph 3 through the date of termination. For the purpose of this Agreement, Cause shall mean:

- (i) a material breach by you of your material duties or obligations to the Company which is not remedied to the reasonable satisfaction of the Company within ten (10) days after the receipt by you of written notice of such breach from the Company;
- (ii) you are convicted of, or enter a guilty or “no contest” plea with respect to a felony or a crime of moral turpitude (whether or not a felony);
- (iii) you have an alcohol or substance abuse problem, which in the reasonable opinion of the Company materially interferes with your ability to perform your duties;
- (iv) any act or acts of personal dishonesty, fraud, embezzlement, misappropriation or conversion intended to result in your personal enrichment at the expense of the Company, or any of its subsidiaries or affiliates, or any other material breach or violation of fiduciary duty owed to the Company, or any of its subsidiaries or affiliates;
- (v) any grossly negligent act or omission or any willful and deliberate misconduct by you that results, or is likely to result, in material economic, or other harm, to the Company, or any of its subsidiaries or affiliates; or
- (vi) you violate or pay fines, suffer sanctions or injunctive relief relating to (whether or not you are found to have violated) any federal or state securities laws, rules or regulations or the rules and regulations of any stock exchange on which the Company is listed or included.

(c) Disability. You shall be considered to be “Disabled” if, in the Company’s reasonable opinion after receiving the written report of an independent physician selected by the Company, you are incapable, due to mental or physical disability, of performing the essential functions of your duties for a period of sixty (60) days (whether or not consecutive) during any period of one hundred twenty (120) days. In the event you shall become Disabled during the Term, the Company may terminate your employment and the Term and the Company shall have no further obligation or liabilities to you, except (i) payment of accrued and unpaid Salary described in Paragraph 3 through the date of termination plus (ii) any accrued and unpaid Bonus amount described in Paragraph 4 plus (iii) Salary payments described in Paragraph 3, at the regular intervals of payment for the twelve (12) month period immediately subsequent to the date of your termination.

(d) Death. In the event of your death, your employment and the Term shall terminate immediately and the Company shall have no further obligation or liabilities to you or your estate except that your estate shall be entitled to receive (i) payment of accrued and unpaid Salary described in Paragraph 3 through the date of termination plus (ii) any accrued and unpaid Bonus amount described in Paragraph 4 plus (iii) Salary payments described in Paragraph 3, at the regular intervals of payment for the twelve (12) month period immediately subsequent to the date of your death.

(e) Change of Control. The term "Change of Control", as used herein, shall mean when any person or group (excluding the Company or any of its affiliates) becomes the beneficial owner of securities representing 50% or more of the combined voting power of the Company's then outstanding securities. If, during the period commencing 30 days prior to a Change of Control and ending 180 days after a Change of Control, you are terminated by the Company other than for Cause, you are entitled to receive an amount equal to the lesser of (i) the average amount of total compensation actually received by you for the preceding three calendar years multiplied by 3 or (ii) the maximum amount which is tax deductible to the Company under Internal Revenue Code Section 280G. The foregoing shall be in lieu of, and not in addition to, any other payments or compensation you would otherwise be entitled to hereunder as a result of your termination.

(f) Termination Payment. Provided the Company makes the payments required under this Agreement that are attributable to the termination of your employment, such payments shall be in full and complete satisfaction and release of any and all claims you or your beneficiaries, estate or legal representatives may have against the Company and/or its subsidiaries or affiliates hereunder. Notwithstanding anything contained in this Agreement, the Company shall have no obligation to make any payment to you under this Agreement unless and until you execute and deliver to the Company a general release from any and all liability and all applicable periods of time have expired such that the Company shall irrevocably be entitled to enjoy the benefits of the aforementioned release.

9. Non-Solicitation/Non-Competition Agreement: You recognize that the services to be performed by you hereunder are special and unique you acknowledge that the restrictions set forth in this Paragraph 9 and in Paragraphs 10, 11 and 12 of this Agreement are fair and reasonable. In consideration of the compensation granted herein, you agree that, through December 31, 2012, you shall not, directly or indirectly, anywhere in the United States, whether individually or as a principal officer, employee, partner, member, director or agent of, or consultant for, any person or entity: (i) become employed by, an owner of, or otherwise affiliated with, or furnish services to, any business that competes with the Company, (ii) solicit any business from any customers of the Company, or (iii) hire, offer to hire, entice away, or in any manner persuade or attempt to persuade any employee of the Company to discontinue his/her employment with the Company or any other party that has a business relationship with the Company to discontinue his/her/its business relationship with the Company.
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10. Discoveries. You agree to disclose promptly in writing to the Board of Directors of the Company all ideas, processes, methods, devices, business concepts, inventions, improvements, discoveries, know-how and other creative achievements (hereinafter referred to collectively as "Discoveries") to the extent such Discoveries have been reduced to practice, in whole or in part, whether or not the same or any part thereof is capable of being patented, trademarked, copyrighted, or otherwise protected, which you, while employed by the Company, conceive, make, develop, acquire or reduce to practice, whether acting alone or with others and whether during or after usual working hours, and which are related to the Company's business or interests, or are used or usable by the Company, or arise out of or in connection with the duties performed by you. You hereby transfer and assign to the Company all right, title and interest in and such Discoveries that are conceived, made, developed, acquired or reduced to practice during your employment with the Company, including any and all domestic and foreign copyrights and patent and trademark rights therein and any renewals thereof. On request of the Company, You will, without any additional compensation, from time to time during, and after the expiration or termination of, the Term, execute such further instruments (including applications for copyrights, patents, trademarks and assignments thereof) and do all such other acts and things as may be deemed necessary or desirable by the Company to protect and/or enforce its rights in respect of such Discoveries. All reasonable expenses incurred by you in complying with the Company's request and all expenses of filing or prosecuting any patent, trademark or copyright application shall be borne by the Company, but you shall cooperate in filing and/or prosecuting any such application.
 11. Covenant Not to Disclose. You covenant and agree that you will not at any time during or after the Term, reveal, divulge or make known to any person (other than (i) to the Company, or (ii) in the regular course of business of the Company) or use for your own account any confidential or proprietary records, data, processes, ideas, methods, devices, business concepts, inventions, discoveries, know-how, trade secrets or any other confidential or proprietary information whatsoever (the "Confidential Information") previously possessed or used by the Company or any of its subsidiaries or affiliates, (whether or not developed, devised or otherwise created in whole or in part by your efforts) and made known to you by reason of your employment by or affiliation with the Company. You further covenant and agree that you shall retain all such knowledge and information which you shall acquire or develop respecting such Confidential Information in trust for the sole benefit of the Company and its successors and assigns. Additionally, you agree that all right, title and interest in and to any discoveries, processes, ideas, methods and/or business concepts that you develop during the Term relating to the business of the Company are, and shall remain the property of the Company, and you hereby assign to the Company any right, title and interest you might otherwise claim therein.
 12. Business Materials, Covenant to Report. All written materials, records and documents made by you or coming into your possession concerning the business or affairs of the Company shall be the sole property of the Company and, upon the termination or expiration of your employment with the Company or upon the request of the Company at any time, you shall promptly deliver the same to the Company and shall retain no copies thereof. You agree to render to the Company such reports of your activities or activities of others under your direction during the Term as the Company may request.
 13. Governing Law; Injunctive Relief:
 - 13.1 The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of New York, excluding choice of law rules thereof.
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- 13.2 You acknowledge and agree that, in the event you shall violate any of the restrictions of Paragraphs 9, 10, 11 or 12 hereof, the Company will be without an adequate remedy at law and will therefore be entitled to enforce such restrictions by temporary or permanent injunctive or mandatory relief in any court of competent jurisdiction without the necessity of proving damages or posting a bond or other security, and without prejudice to any other remedies which it may have at law or in equity. Each of you and the Company acknowledges and agrees that, in addition to any other state having proper jurisdiction, any such relief may be sought in, and for such purpose each of you and the Company consents to the jurisdiction of, the courts of the State of New York.
14. **Assignment:** This Agreement, as it relates to your employment, is a personal contract and your rights and interests hereunder may not be sold, transferred, assigned, pledged or hypothecated.
15. **Notices:** Any and all notices or other communications or deliveries required or permitted to be given or made pursuant to any of the provisions of this Agreement shall be deemed to have been duly given or made for all purposes when hand delivered or sent by certified or registered mail, return receipt requested and postage prepaid, overnight mail or courier, or facsimile, addressed, if to the Company, at the Company's offices, Attn: President, and if to you, at the address of your personal residence as maintained in the Company's records, or at such other address as any party shall designate by notice to the other party given in accordance with this Paragraph 15.
16. **Entire Agreement:** This Agreement represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof, supersedes all prior agreements between such parties with respect to the subject matter hereof, and cannot be amended, supplemented or modified orally, but only by an agreement in writing signed by the party against whom enforcement of any such amendment, supplement or modification is sought.
17. **Execution in Counterparts; Signatures; Severability:** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Facsimile or electronic mail signatures hereon shall constitute original signatures. If any provisions of this Agreement as applied to any part or to any circumstance shall be adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other provision of this Agreement, the application of such provision in any other circumstances or the validity or enforceability of this Agreement.
18. **Representation by Counsel; Interpretation:** Each party acknowledges that it has been represented by counsel or has had the opportunity to be represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule or law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the party that drafted it has no application and is expressly waived by such parties. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the parties hereto.

STEVEN MADDEN, LTD.

Signature:

By: /s/ Edward R. Rosenfeld

Edward R. Rosenfeld, CEO

/s/ Robert Schmertz

Counter-signature:

Robert Schmertz

AMENDMENT No. 4 TO EMPLOYMENT AGREEMENT

This Amendment #4 dated as of October 7, 2009 (the "Amendment") to that certain Employment Agreement, by and between Steven Madden, Ltd., a Delaware corporation (the "Company") and Arvind Dharia (the "Executive"), as amended.

WITNESSETH:

WHEREAS, the Company and the Executive are parties to that certain Employment Agreement dated as of January 1, 1998, as amended by Amendment No. 1 dated June 29, 2001, and as amended by Amendment No. 2 dated as of October 30, 2002, and as amended by Amendment No. 3 dated as of February 1, 2006, (collectively, the "Original Agreement"), a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Executive and the Company desire to amend the Original Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Effective as of January 1, 2010, the Original Agreement is amended as follows:
 - a. The first sentence of Section 3 of the Original Agreement shall be deleted in its entirety and in lieu thereof the following sentence shall be inserted:

"The term of this Agreement, unless sooner terminated in accordance with the provisions set forth herein, shall be for the period commencing on January 1, 2010 and terminating on December 31, 2011 (the "Term")."
 - b. Section 4.1 of the Original Agreement shall be deleted in its entirety and in lieu thereof the following paragraph shall be inserted:

"The Company shall pay to Executive an annual base salary of Five Hundred Twenty Eight Thousand Three Hundred Four Dollars and 22 cents. This shall remain Executive's annual base salary for the duration of the Term."
 - c. Section 4.3 of the Original Agreement shall be amended by deleting the amount of \$1,000.00 and inserting in lieu thereof \$1,200.00.
2. As hereinabove modified, all of the terms and provisions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 4 of date first set forth above.

Steven Madden, Ltd.

/s/ Ed Rosenfeld

Ed Rosenfeld
 Chief Executive Officer

/s/ Arvind Dharia

Arvind Dharia