

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

FORM S-3
 REGISTRATION STATEMENT
 UNDER
 THE SECURITIES ACT OF 1933

STEVEN MADDEN, LTD.
 (NAME OF SMALL BUSINESS ISSUER IN ITS CHARTER)

DELAWARE

3140

13-3588231

(STATE OR OTHER JURIS-
 DICTION OF ORGANIZATION)

(PRIMARY STANDARD INDUSTRIAL
 CLASSIFICATION CODE NO.)

(I.R.S. EMPLOYER
 IDENTIFICATION NO.)

(ADDRESS AND TELEPHONE NUMBER OF PRINCIPAL EXECUTIVE OFFICES)

52-16 BARNETT AVENUE
 LONG ISLAND CITY, NEW YORK 11104
 (718) 446-1800

(ADDRESS OF PRINCIPAL PLACE OF BUSINESS OR
 INTENDED PRINCIPAL PLACE OF BUSINESS)

STEVEN MADDEN
 CHIEF EXECUTIVE OFFICER
 52-16 BARNETT AVENUE
 LONG ISLAND CITY, NEW YORK 11104
 (718) 446-1800

(NAME, ADDRESS AND TELEPHONE NUMBER OF AGENT FOR SERVICE)

ALAN N. FORMAN, ESQ.
 BERLACK, ISRAELS & LIBERMAN LLP
 120 WEST 45TH STREET
 NEW YORK, NY 10036
 (212) 704-0100
 (212) 704-0196 (FAX)

APPROXIMATE DATE OF PROPOSED SALE TO THE PUBLIC: FROM TIME TO TIME
 AFTER THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT AS DETERMINED BY THE
 SELLING SECURITYHOLDERS.

IF THE ONLY SECURITIES BEING REGISTERED ON THIS FORM ARE BEING OFFERED
 PURSUANT TO DIVIDEND OR INTEREST REINVESTMENT PLANS, PLEASE CHECK THE FOLLOWING
 BOX. []

IF ANY OF THE SECURITIES BEING REGISTERED ON THIS FORM ARE TO BE
 OFFERED ON A DELAYED OR CONTINUOUS BASIS, PURSUANT TO RULE 415 UNDER THE
 SECURITIES ACT OF 1933, OTHER THAN SECURITIES OFFERED ONLY IN CONNECTION WITH
 DIVIDEND OR REINVESTMENT PLANS, CHECK THE FOLLOWING BOX: [X]

IF THIS FORM IS FILED TO REGISTER ADDITIONAL SECURITIES FOR AN OFFERING
 PURSUANT TO RULE 462(B) UNDER THE SECURITIES ACT, PLEASE CHECK THE FOLLOWING BOX
 AND LIST THE SECURITIES ACT REGISTRATION STATEMENT NUMBER OF THE EARLIER
 EFFECTIVE REGISTRATION STATEMENT FOR THE SAME OFFERING. []

IF THIS FORM IS A POST-EFFECTIVE AMENDMENT FILED PURSUANT TO RULE
 462(C) UNDER THE SECURITIES ACT, CHECK THE FOLLOWING BOX AND LIST THE SECURITIES
 ACT REGISTRATION STATEMENT NUMBER OF THE EARLIER EFFECTIVE REGISTRATION
 STATEMENT FOR THE SAME OFFERING. []

IF DELIVERY OF THE PROSPECTUS IS EXPECTED TO BE MADE PURSUANT TO RULE
 434, PLEASE CHECK THE FOLLOWING BOX. []

CONTINUED OVERLEAF

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SECURITIES	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Common Stock	200,000(1)	\$7.50(2)	\$ 1,500,000	\$ 417.00

- (1) Includes 200,000 shares of Common Stock issuable upon the exercise of a Warrant Agreement issued to the Selling Securityholder by the Company.
- (2) The proposed maximum offering price per share is based upon designated exercise price set forth in the Warrant Agreement issued to the Selling Securityholder by the Company.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

STEVEN MADDEN, LTD.

200,000 Shares of Common Stock

All of the shares of common stock being offered by this prospectus are being sold by the selling securityholder named under the "Selling Securityholder" section of this Prospectus beginning on page _____. We are registering the shares pursuant to Warrant Agreement between us and the selling securityholder. The term "Shares" shall be used in this Prospectus to refer to the shares of Steven Madden Ltd. Common stock to be sold by the Selling Securityholder and the term "Selling Securityholder" shall refer to the selling securityholder identified on page of this Prospectus.

The Selling Securityholder will sell the Shares issuable pursuant to warrants they own as described under "Plan of Distribution" beginning on page 11. Steven Madden, Ltd. will not receive any of the proceeds from this offering. However, we will receive \$7.50 for each warrant that is exercised by the Selling Securityholder, and if all of the warrants owned by the Selling Securityholder are exercised, we will receive a total of \$1,500,000.

Our common stock is quoted on The Nasdaq National Market under the symbol "SH00". The closing price of the common stock on November 5, 1999 was \$13.44 per share.

Our principal executive offices are located at 52-16 Barnett Avenue, Long Island City, New York 11104. Our telephone number is (718) 446-1800.

An investment in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 4.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to by these securities in any state where the offer or sale is not permitted.

THE DATE OF THIS PROSPECTUS IS _____, 1999.

AVAILABLE INFORMATION

We file reports, proxy statements and other information with the Securities and Exchange Commission. Those reports, proxy statements and other information may be obtained:

- o At the Public Reference Room of the SEC, Room 1023 -- Judiciary Plaza, 450 Fifth Street, NW, Washington, D.C. 20549;
- o At the public reference facilities at the SEC's regional offices located at Seven World Trade Center, 13th Floor, New York, New York 10048 or Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661;
- o From the SEC, Public Reference Room, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549;
- o At the offices of The Nasdaq Stock Market, Inc., Reports Section, 1735 K Street, N.W., Washington, D.C. 20006; or
- o From the Internet site maintained by the SEC at <http://www.sec.gov>, which contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Some locations may charge prescribed rates or modest fees for copies. For more information on the public reference rooms, call the SEC at 1-800-SEC-0330.

This prospectus is part of a registration statement that we filed with the SEC. The registration statement contains more information than this prospectus regarding our Company and our common stock, including certain exhibits. You can get a copy of the registration statement from the SEC at the addresses listed above or from its Internet file.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring to you those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until the selling shareholders sell all the shares. This prospectus is part of registration statement we filed with the SEC (Registration No. 333-_____).

- o Quarterly Report on Form 10-Q for the quarter ended September 30, 1999.
- o Quarterly Report on Form 10-Q for the quarter ended June 30, 1999.
- o Quarterly Report on Form 10-Q for the quarter ended March 31, 1999.
- o Proxy Statement on Schedule 14A dated April 30, 1999.
- o Annual Report on Form 10-K for the year ended December 31, 1998.
- o The description of the Common Stock, par value \$.0001 per share ("Common Stock"), of Steven Madden, Ltd. contained in its registration statement filed under Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

On request, we will provide at no cost to each person, including any beneficial owner, who receives a copy of this prospectus, a copy of any or all of the documents incorporated in this prospectus by reference. We will not provide exhibits to any of such documents, however, unless such exhibits are specifically incorporated by reference into those documents. Requests should be directed to the Chief Financial Officer of Steven Madden, Ltd., 52-16 Barnett Avenue, Long Island City, New York 11104, telephone number (718) 446-1800.

You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of this document.

THE COMPANY

Steven Madden, Ltd. (together with its subsidiaries will be referred to as the "Company") designs, sources and sells fashion footwear under the Steve Madden(R), l.e.i.(R) and David Aaron(R) brands for women and girls ages 8 to 45 years. The Company's branded products are designed to appeal to style-conscious consumers in the junior and better market segments. As of October 31, 1999, the Company distributes its products through its website at WWW.STEVEMADDEN.COM thirty-eight (38) Steve Madden(R) retail stores, one (1) David Aaron(R) store, three (3) outlet stores and more than three thousand (3,000) department and specialty store locations in the United States, Australia, Canada, Israel, Mexico and Venezuela. The Company's product line includes core products, which are sold year-round, complemented by a broad range of updated styles which are designed to establish or capitalize on market trends.

The Company's business is comprised of three (3) distinct segments: a wholesale division which includes Steve Madden(R), l.e.i.(R) and David Aaron(R); a retail subsidiary; and a private label subsidiary. The Company also has an aggressive licensing program and has through October 31, 1999 entered into nine (9) licensing agreements for belts, sportswear and jeanswear, outerwear, handbags, sunglasses, hosiery, intimate apparel, hair accessory products and jewelry. Given the strength of brand awareness in the juniors marketplace, the Company has entered into separate license agreements pursuant to which the Company has the right to source, distribute and market footwear under the lei(R) trademark and the Jordache trademark.

Steven Madden, Ltd., was incorporated as a New York corporation on July 9, 1990 and reincorporated under the same name in Delaware in November 1998. The Company was founded and developed by Steven Madden, its principal designer and Chief Executive Officer, President and Chairman of the Board, who has established a reputation for his creative designs, popular styles and quality products at accessible price points. The Company completed its initial public offering in December 1993 and its securities traded on The Nasdaq SmallCap Market until December 1996. In January 1997, the Company's shares of Common Stock and Class B Common Stock Purchase Warrants began trading on The Nasdaq National Market under the symbols "SHOO" and "SHOOZ", respectively. In July 1998, the Class B Warrants were called for redemption by the Company, and as a result, the Company received approximately \$10,800,000 in proceeds from the exercise of the Class B Warrants.

The Company maintains its principal executive offices at 52-16 Barnett Avenue, Long Island City, NY 11104, telephone number (718) 446-1800.

RISK FACTORS

You should carefully consider the risks described below before investing in our company. The risks and uncertainties described below are not the only ones facing our company. Other risks and uncertainties that we have not predicted or assessed may also adversely affect our company.

Some of the information in this prospectus contains forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by forward-looking words such as "may," "will," "expect," "anticipate," "believe," "intend," "estimate," and "continue" or other similar words. You should read statements that contain these words carefully for the following reasons:

- o the statements may discuss our future expectations;
- o the statements may contain projections of our future earnings or of our financial condition; and
- o the statements may state other "forward-looking" information.

We believe it is important to communicate our expectations to our investors. There may be events in the future, however, that we are not accurately able to predict or over which we have no control. The risk factors listed below, as well as any cautionary language in or incorporated by reference into this prospectus, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Before you invest in our company, you should be aware that the occurrence of any of the events described in the risk factors below, elsewhere in or incorporated by reference into this prospectus and other events that we have not predicted or assessed could have a material adverse effect on our earnings, financial condition or business. In such case, the trading price of our securities could decline and you may lose or all or part of your investment.

RISKS EFFECTING OUR COMPANY

WE ARE DEPENDENT ON KEY PERSONNEL. We are dependent, in particular, upon the services of Steven Madden, our Chief Executive Officer, President, Chairman of the Board and chief designer and Rhonda Brown, our Chief Operating Officer. If Mr. Madden or Ms. Brown are unable to provide services to the Company for whatever reason, the business could be adversely affected. The Company therefore maintains a key person life insurance policy on Mr. Madden with coverage in the amount of \$10 million; however, the Company does not maintain a policy on Ms. Brown. The Company has an employment contract with Mr. Madden that expires on December 31, 2007, and an employment contract with Ms. Brown that expires on June 30, 2001. In the event Mr. Madden is terminated for other than cause or total disability, the Company will be required to pay Mr. Madden's remaining salary under his contract, half of which must be paid upon termination. Mr. Madden is also entitled during the term of the contract to an annual \$50,000 non-accountable expense account. In the event of a change in control, Mr. Madden and Ms. Brown may choose to continue their employment with the Company or terminate employment and receive the remaining salary under their respective contracts. Since Mr. Madden and Ms. Brown are involved in all aspects of the Company's business, there can be no assurance that a suitable replacement for either could be found if either were unable to perform services for the Company. As a consequence, a loss of Mr. Madden, Ms. Brown or other key management personnel could have a material adverse effect upon the Company's business, results of operations and financial condition. In addition, the Company's ability to market its products and to maintain profitability will depend, in large part, on its ability to attract and retain qualified personnel. Competition for such personnel is intense and there can be no assurance that the Company will be able to attract and retain such personnel. The inability of the Company to attract and retain such qualified personnel would have a material adverse effect on the Company's business, financial condition and results of operations.

OUR SALES ARE SUBJECT TO RAPIDLY CHANGING CONSUMER PREFERENCES. Our success will depend in significant part upon our ability to anticipate and respond to product and fashion trends in the womens, juniors and girls marketplace as well as to anticipate, gauge and react to changing consumer demands in a timely manner. We cannot be certain that the Company's products will correspond to the changes in taste and demand or that we will be able to successfully market products which respond to such trends. If we misjudge the market for our products, the Company may have significant excess inventories for some products and missed opportunities with others. In addition, misjudgments in merchandise selection could adversely affect the our image with our customers and weak sales and resulting markdown requests from customers could have a material adverse effect on the Company's business, results of operations and financial condition.

DEMAND FOR OUR PRODUCTS MAY DECLINE IN A RECESSIONARY ECONOMY. The fashion footwear industry is cyclical, with purchases tending to decline during recessionary periods when disposable income is low. Purchases of contemporary shoes and accessories tend to decline during recessionary periods and also may decline at other times. While the Company has fared well in recent years in a difficult retail environment, there can be no assurance that the Company will be able to maintain its historical rate of growth in revenues and earnings, or remain profitable in the future. A recession in the national or regional economies or uncertainties regarding future economic prospects, among other things, could affect consumer spending habits and have a material adverse effect on the Company's business, results of operations and financial condition.

CHANGES IN THE RETAIL INDUSTRY MAY EFFECT DEMAND FOR OUR PRODUCTS. In recent years, the retail industry has experienced consolidation and other ownership changes, including the rapid expansion of retail sales via the internet. In addition, some of our customers have operated under the protection of the federal bankruptcy laws. In the future, retailers in the United States and in foreign markets may consolidate, undergo restructurings or reorganizations, or realign their affiliations, any of which could decrease the number of stores that carry the Company's products or increase the ownership concentration within the retail industry. This could result in pressure by retail customers of the Company's products to reduce wholesale prices charged by the Company and to provide retail customers with additional benefits. While such changes in the retail industry have not had a material adverse effect on the Company's business or financial condition, there can be no assurance as to the future effect of any such changes.

WE MAY NOT EFFECTIVELY MANAGE OUR INVENTORY. Our ability to manage our inventories properly is an important factor in the success of our operations. Inventory shortages can adversely affect the timing of shipments to customers and diminish brand loyalty. Conversely, excess inventories can result in increased interest costs as well as lower gross margins due to the necessity of providing discounts to our retail customers. The inability of the Company to effectively manage its inventory would have a material adverse effect on the Company's business, financial condition and results of operations.

WE ARE DEPENDENT UPON A LIMITED NUMBER OF CUSTOMERS. The Company's wholesale customers purchasing footwear consist principally of department stores and specialty stores, including shoe boutiques. Certain of the Company's department store customers, including some under common ownership, account for significant portions of the Company's wholesale net sales. Presently, the Company sells approximately sixty percent (60%) of its wholesale products to department stores, including Federated Stores (Bloomingdales, Burdines, Macy's and Bullocks), Dillard's, Nordstrom, Dayton Hudson and May Department Stores (Famous Barr, Filene's, Foley's, Hecht's, Kaufmann's, Meier & Frank, and Robinson's May) and approximately forty (40%) percent to specialty stores, including shoe boutiques. The Company's largest wholesale customers, Federated Stores and Nordstrom, account for approximately twenty percent (20%) and seventeen percent (17%) of the Company's wholesale sales, respectively.

The Company believes that a substantial portion of sales of the Company's licensed products by its licensing partners are also made to the Company's largest department store customers. The Company generally enters into a number of purchase order commitments with its customers for each of its lines every season and does not enter into long-term agreements with any of its customers. Therefore, a decision by Federated Stores, Nordstrom or any other significant customer, whether motivated by competitive conditions, financial difficulties or otherwise, to decrease the amount of merchandise purchased from the Company or its licensing partners, or to change its manner of doing business could have a material adverse effect on the Company's business, financial condition and results of operations. The Company sells its products primarily to retail stores across the United States and extends credit based on an evaluation of each customer's financial condition, usually without requiring collateral. While various retailers, including some of the Company's customers, have experienced financial difficulties in the past few years which increased the risk of extending credit to such retailers, the Company's losses due to bad debts have been limited. However, financial difficulties of a customer could cause the Company to curtail business with such customer or require the Company to assume more credit risk relating to such customer's receivables.

WE ARE DEPENDENT ON FOREIGN MANUFACTURERS. A significant portion of the Company's products are currently sourced outside the United States through arrangements with a number of foreign manufacturers in four different countries. During the year ended December 31, 1998, approximately 95% of the Company's products were purchased from sources outside the United States, including Mexico, China, Brazil and Spain.

Risks inherent in foreign operations include work stoppages, transportation delays and interruptions, changes in social, political and economic conditions which could result in the disruption of trade from the countries in which the Company's manufacturers or suppliers are located, the imposition of additional regulations relating to imports, the imposition of additional duties, taxes and other charges on imports, significant fluctuations of the value of the dollar against foreign currencies, or restrictions on the transfer of funds, any of which could have a material adverse effect on the Company's business, financial condition and results of operations. The Company does not believe that any such economic or political conditions will materially affect the Company's ability to purchase products, since a variety of materials and alternative sources exist. The Company cannot be certain, however, that it will be able to identify such alternative sources without delay or without greater cost to the Company, if ever. The Company's inability to identify and secure alternative sources of supply in this situation would have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's imported products are also subject to United States customs duties. The United States and the countries in which the Company's products are produced or sold may, from time to time, impose new quotas, duties, tariffs, or other restrictions, or may adversely adjust prevailing quota, duty or tariff levels, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

MANUFACTURERS' MAY FAIL TO MANUFACTURE IN A TIMELY MANNER, TO MEET QUALITY STANDARDS OR TO USE ACCEPTABLE LABOR PRACTICES. As is common in the footwear industry, the Company contracts for the manufacture of a majority of its products to its specifications through foreign manufacturers. The Company does not own or operate any manufacturing facilities and is therefore dependent upon independent third parties for the manufacture of all of its products. The Company's products are manufactured to its specifications by both domestic and international manufacturers. The inability of a manufacturer to ship orders of the Company's products in a timely manner or to meet the Company's quality standards could cause the Company to miss the delivery date requirements of its customers for those items, which could result in cancellation of orders, refusal to accept deliveries or a reduction in purchase prices, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Although the Company enters into a number of purchase order commitments each season specifying a time frame for delivery, method of payment, design and quality specifications and other standard industry provisions, the Company does not have long-term contracts with any manufacturer. As a consequence, any of these manufacturing relationships may be terminated, by either party, at any time. Although the Company believes that other facilities are available for the manufacture of the Company's products, both within and outside of the United States, there can be no assurance that such facilities would be available to the Company on an immediate basis, if at all, or that the costs charged to the Company by such manufacturers will not be greater than those presently paid.

The Company requires its licensing partners and independent manufacturers to operate in compliance with applicable laws and regulations. While the Company promotes ethical business practices and the Company's staff periodically visits and monitors the operations of its independent manufacturers, the Company does not control such manufacturers or their labor practices. The violation of labor or other laws by an independent manufacturer of the Company or by one of the Company's licensing partners, or the divergence of an independent manufacturer's or licensing partner's labor practices from those generally accepted as ethical in the United States, could have a material adverse effect on the Company's business, financial condition and results of operations.

WE FACE INTENSE COMPETITION. The fashionable footwear industry is highly competitive and barriers to entry are low. The Company's competitors include specialty companies as well as companies with diversified product lines. The recent substantial growth in the sales of fashionable footwear has encouraged the entry of many new competitors and increased competition from established companies. Most of these competitors, including Kenneth Cole, Nine West, DKNY, Sketchers, Nike and Guess, have significantly greater financial and other resources than the Company and there can be no assurance that the Company will be able to compete successfully with other fashion footwear companies. Increased competition could result in pricing pressures, increased marketing expenditures and loss of market share, and could have a material adverse effect on the Company's business, financial condition and results of operations. The Company believes effective advertising and marketing, fashionable styling, high quality and value are the most important competitive factors and plans to employ these elements as it develops its products. The Company's inability to effectively advertise and market its products could have a material adverse effect on the Company's business, financial condition and results of operations.

WE ARE SUBJECT TO RISKS FROM RAPID EXPANSION OF OUR RETAIL BUSINESS. The Company's continued growth depends to a significant degree on further developing the Steve Madden and David Aaron brands, creating new product categories and businesses and operating Company-owned stores on a profitable basis. The Company plans to open three (3) Steve Madden retail stores during the fourth quarter of 1999 and ten (10) stores during the year ending December 31, 2000. The Company's recent and planned expansion includes the opening of stores in new geographic markets. New markets have in the past presented, and will continue to present, competitive and merchandising challenges that are different from those faced by the Company in its existing markets. There can be no assurance that the Company will be able to open new stores, and if opened, that such new stores will be able to achieve sales and profitability levels consistent with existing stores. The Company's retail expansion is dependent on a number of factors, including the Company's ability to locate and obtain favorable store sites, the performance of the Company's wholesale and retail operations, and the ability of the Company to manage such expansion and hire and train personnel. Past comparable store sales results may not be indicative of future results, and there can be no assurance that the Company's comparable store sales results will increase or not decrease in the future. In addition, there can be no assurance that the Company's strategies to increase other sources of revenue, which may include expansion of its licensing activities, will be successful or that the Company's overall sales or profitability will increase or not be adversely affected as a result of the implementation of such retail strategies.

The Company's growth has increased and will continue to increase demand on the Company's managerial, operational and administrative resources. The Company has recently invested significant resources in, among other things, its management information systems and hiring and training new personnel. However, in order to manage currently anticipated levels of future demand, the Company may be required to, among other things, expand its distribution facilities, establish relationships with new manufacturers to produce its products, and continue to expand and improve its financial, management and operating systems. There can be no assurance that the Company will be able to manage future growth effectively and a failure to do so could have a material adverse effect on the Company's business, financial condition and results of operations.

THERE ARE SEASONAL AND QUARTERLY FLUCTUATIONS IN DEMAND FOR OUR PRODUCTS. The Company's quarterly results may fluctuate quarter to quarter as a result of the timing of holidays, weather, the timing of larger shipments of footwear, market acceptance of the Company's products, the mix, pricing and presentation of the products offered and sold, the hiring and training of additional personnel, the timing of inventory write downs, the cost of materials, the mix between wholesale, retail and licensing businesses, the incurrance of other operating costs and factors beyond the Company's control, such as general economic conditions and actions of competitors. In addition, the Company expects its sales and operating results may fluctuate significantly with the opening of new retail stores, the amount of revenue contributed by new stores, changes in comparable store sales and the introduction of new products. Accordingly, the results of operations in any quarter will not necessarily be indicative of the results that may be achieved for a full fiscal year or any future quarter.

WE MAY NOT BE ABLE TO PROTECT OUR TRADEMARKS AND SERVICEMARKS PROTECTION. The Steve Madden and Steve Madden plus Design trademarks/service marks have been registered in numerous International Classes (25 clothing & shoes; 18 leather goods, such as handbags & wallets; 9 eye wear, 14 jewelry, 35 retail store services) in the United States. The Company also has trademark registrations in the U.S. for the marks Eyeshadows By Steve Madden (Int'l Cl. 9 eye wear), Ice Tea (Int'l Cl. 25 clothing) and Soho Cobbler (Int. Cl. 9, eye wear, 25 clothing & shoes).

The Company further owns registrations for the Steve Madden and Steve Madden plus Design trademarks/service marks in various International Classes in China, Hong Kong, Israel, Japan, Korea, Mexico, Panama, South Africa, Taiwan, the 15 cooperating countries of Europe and the Benelux countries and has pending applications for registration for the Steve Madden and Steve Madden plus Design trademarks/service marks in Argentina, Australia, Brazil, Canada, Chile, Colombia, Italy, Malaysia, Mexico, Peru, Thailand and Venezuela. There can be no assurance, however, that the Company will be able to effectively obtain rights to the Steve Madden mark throughout all of the countries of the world. Moreover, no assurance can be given that others will not assert rights in, or ownership of, trademarks and other proprietary rights of the Company or that the Company will be able to successfully resolve such conflicts. The failure of the Company to protect such rights from unlawful and improper appropriation may have a material adverse effect on the Company's business, financial condition and results of operation.

Additionally, the Company owns registrations for the David Aaron trademark and service mark in various International Classes in the United States (Int'l Cl. 25 clothes, shoes, 18 leather goods, handbags, wallets, 35 retail store services), Australia, Canada, Hong Kong, Israel, Spain and the 15 cooperating countries in Europe. The Company further has pending applications for registration of the David Aaron trademark and service mark in Japan, Panama and South Africa. The Company believes that the David Aaron trademark has a significant value and is important to the marketing of the Company's products.

The Company believes that its trademarks/service marks and other proprietary rights are important to its success and its competitive position. Accordingly, the Company devotes substantial resources to the establishment and protection of its trademarks on a worldwide basis. Nevertheless, there can be no assurance that the actions taken by the Company to establish and protect its trademarks and other proprietary rights will be adequate to prevent imitation of its products by others or to prevent others from seeking to block sales of the Company's products as violative of the trademarks and proprietary rights of others. Moreover, no assurance can be given that others will not assert rights in, or ownership of, trademarks and other proprietary rights of the Company or that the Company will be able to successfully resolve such conflicts. In addition, the laws of certain foreign countries may not protect proprietary rights to the same extent as do the laws of the United States. The failure of the Company to establish and then protect such proprietary rights from unlawful and improper appropriation could have a material adverse impact on the Company's business, financial condition and results of operations.

FOREIGN CURRENCY FLUCTUATIONS COULD ADVERSELY EFFECT OUR PROFITABILITY. The Company generally purchases its products in U.S. dollars. However, the Company sources substantially all of its products overseas and, as such, the cost of these products may be affected by changes in the value of the relevant currencies. Changes in currency exchange rates may also affect the relative prices at which the Company and foreign competitors sell their products in the same market. There can be no assurance that foreign currency fluctuations will not have a material adverse impact on the Company's business, financial condition and results of operations.

WE DO NOT EXPECT TO PAY DIVIDENDS. The Company anticipates that all of its earnings in the foreseeable future will be retained to finance the continued growth and expansion of its business and has no current intention to pay cash dividends.

WE ARE SUBJECT TO RISKS FROM THE YEAR 2000 PROBLEM. The Company recognizes that a challenging problem exists in that many computer systems worldwide do not have the capability of recognizing the year 2000 or the years thereafter. No easy technological "quick fix" has yet been developed for this problem. The Company has spent a considerable sum of money to assure that all its software programs are year 2000 compliant and believes that we are presently year 2000 compliant. This "Year 2000 Computer Problem" creates risk for the Company from unforeseen problems in its own software and from third parties with whom the Company deals. Such failures of the Company and/or third parties' computer systems could have a material adverse effect on the Company and its ability to conduct its business in the future.

INVESTMENT RISKS

OUR STOCK PRICE HAS HISTORICALLY BEEN VOLATILE, WHICH MAY MAKE IT MORE DIFFICULT FOR YOU TO RESELL SHARES WHEN YOU WANT AT PRICES YOU FIND ATTRACTIVE. The trading price of our common stock has been and may continue to be subject to wide fluctuations. During 1998 and the first [nine months] of 1999, the closing sale prices of our common stock on The Nasdaq Stock Market ranged from \$3.56 to \$14.94. The stock price may fluctuate in response to a number of events and factors, such as quarterly variations in operating results, announcements of technological innovations or new products by us or our competitors, changes in financial estimates and recommendations by securities analysts, the operating and stock price performance of other companies that investors may deem comparable, and news reports relating to trends in our markets. In addition, the stock market in general, and the market prices for footwear companies in particular, have experienced volatility that may have been unrelated to the operating performance of such companies. These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance.

MANAGEMENT BENEFICIALLY OWNS APPROXIMATELY 27% OF OUR STOCK; THEIR INTERESTS COULD CONFLICT WITH YOURS; SIGNIFICANT SALES OF STOCK HELD BY THEM COULD HAVE A NEGATIVE EFFECT ON OUR STOCK PRICE. As of October 31, 1999, our directors and executive officers beneficially own 3,773,316 shares or approximately 27% of our outstanding common stock. As a result of their beneficial ownership (which assumes options owned by them were exercised), our directors and executive officers could control matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. Such concentration of ownership along with substantial payments owed by the Company under the terms of employment may also have the effect of delaying or preventing a change in control of the Company. In addition, sales of significant amounts of shares held by our directors and executive officers or the prospect of these sales, could adversely affect the market price of our Common stock.

OUTSTANDING OPTIONS AND WARRANTS MAY EFFECT US NEGATIVELY. As of October 31, 1999, the Company had outstanding options to purchase an aggregate of approximately 2,811,675 shares of Common Stock. Holders of such options are likely to exercise them when, in all likelihood, the Company could obtain additional capital on terms more favorable than those provided by the options. While options are outstanding, they may adversely affect the terms in which the Company could obtain additional capital and negatively impact the market price for the Company's shares of Common Stock.

ANTI-TAKEOVER PROVISIONS COULD MAKE IT MORE DIFFICULT FOR A THIRD PARTY TO ACQUIRE US. Our board of directors has the authority to issue up to five million (5,000,000) shares of preferred stock and to determine the price, rights, preferences, privileges and restrictions, including voting rights, of those shares without any further vote or action by the stockholders. The rights of the holders of common stock may be subject to, and may be adversely affected by, the rights of the holders of any Preferred stock that may be issued in the future. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change of control of Steven Madden, Ltd. without further action by the stockholders and may adversely affect the voting and other rights of the holders of common stock. We have no present plans to issue shares of preferred stock. In addition, our charter documents do not permit cumulative voting, which may make it more difficult for a third party to gain control of the our board of Directors.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the Shares by the Selling Securityholder. However, we will receive \$7.50 for each warrant that is exercised by the Selling Securityholder, and if all of the warrants owned by the Selling Securityholder are exercised, we will receive a total of \$1,500,000. We intend to use all of such proceeds for working capital and general corporate purposes. Pending use of the proceeds, they will be invested in short-term, interest bearing securities or money market funds.

ISSUANCES OF SECURITIES TO THE SELLING SECURITYHOLDER

On October 12, 1995, our company engaged Ladenburg, Thalmann & Co. Inc., a registered broker-dealer, as its financial advisor. Under the terms of the engagement agreement, Ladenburg Thalmann agreed to provide such financial consulting services as Steven Madden, Ltd. may reasonably request. As part of the compensation paid to Ladenburg Thalmann, the Company issued to Ladenburg Thalmann a warrant exercisable for 200,000 shares of common stock at an exercise price of \$7.50 per share (the fair market value of our common stock at the time of issuance). We also granted Ladenburg Thalmann the right to require the registration of the shares issuable upon the exercise of the warrant with the Securities and Exchange Commission for sale to the public. In August 1999, Ladenburg Thalmann notified us that it was exercising its right to require the registration of the 200,000 shares of common stock issuable upon the exercise of the warrant. As a result, we filed a registration statement with the Securities and Exchange Commission which includes this prospectus. The warrant expires on September 7, 2000.

SELLING SECURITYHOLDER

This prospectus relates to the proposed resale of 200,000 shares of our common stock by Ladenburg, Thalmann & Co., Inc. or its transferees (referred to as the "Selling Securityholders"). None of such shares are currently outstanding and all of such shares are issuable upon exercise of the warrant held by the Selling Securityholder at \$7.50 per share.

Based upon 11,306,643 shares outstanding as of October 31, 1999, the Selling Securityholder beneficially owns approximately 1.8% of the Company's shares of Common Stock outstanding. Following the sale by the Selling Securityholder of all 200,000 Shares, the Selling Securityholder will not beneficially own any shares of the Company's Common Stock.

PLAN OF DISTRIBUTION

Shares of common stock covered hereby may be offered and sold from time to time by the Selling Securityholder. The Selling Securityholder will act independently of us in making decisions with respect to the timing, manner and size of each sale. The Selling Securityholder may sell the Shares being offered hereby: (i) on The Nasdaq National Market, or otherwise at prices and at terms then prevailing or at prices related to the then current market price; or (ii) in private sales at negotiated prices directly or through a broker or brokers, who may act as agent or as principal or by a combination of such methods of sale. The Selling Securityholder and any underwriter, dealer or agent who participate in the distribution of such shares may be deemed to be "underwriters" under the Securities Act, and any discount, commission or concession received by such persons might be deemed to be an underwriting discount or commission under the Securities Act. We have agreed to indemnify the Selling Securityholder against certain liabilities arising under the Securities Act.

Any broker-dealer participating in such transactions as agent may receive commissions from the Selling Securityholder (and, if acting as agent for the purchaser of such shares, from such purchaser). Usual and customary brokerage fees may be paid by the Selling Securityholder. Broker-dealers may agree with the Selling Securityholder to sell a specified number of shares at a stipulated price per share, and, to the extent such a broker-dealer is unable to do so acting as agent for the Selling Securityholder, to purchase as principal any unsold shares at the price required to fulfill the broker-dealer commitment to the Selling Securityholder. Broker-dealers who acquire shares as principal may thereafter resell such shares from time to time in transactions (which may involve crosses and block transactions and which may involve sales to and through other broker-dealers, including transactions of the nature described above) in the over-the-counter market, in negotiated transactions or by a combination of such methods of sale or otherwise at market prices prevailing at the time of sale or at negotiated prices, and in connection with such resales may pay to or receive from the purchasers of such shares commissions computed as described above.

We have advised the Selling Securityholder that the anti-manipulation rules under the Exchange Act may apply to sales of Shares in the market and to the activities of the Selling Securityholder and their affiliates. The Selling Securityholder have advised us that during such time as the Selling Securityholder may be engaged in the attempt to sell the Shares registered hereunder, they will:

- not engage in any stabilization activity in connection with any of our securities;
- not bid for or purchase any of our securities or any rights to acquire our securities, or attempt to induce any person to purchase any of our securities or rights to acquire our securities other than as permitted under the Exchange Act;
- not effect any sale or distribution of the Shares until after the prospectus shall have been appropriately amended or supplemented, if required, to set forth the terms thereof; and
- effect all sales of Shares in broker's transactions through broker-dealers acting as agents, in transactions directly with market makers, or in privately negotiated transaction where no broker or other third party (other than the purchaser) is involved.

The Selling Securityholder may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act. Any commissions paid or any discounts or concessions allowed to any such broker-dealers, and any profits received on the resale of such shares, may be deemed to be underwriting discounts and commissions under the Securities Act if any such broker-dealers purchase shares as principal.

In order to comply with the securities laws of certain states, if applicable, our common stock will be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states, the common stock may not be sold unless such shares have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

We have agreed to use its best efforts to maintain the effectiveness of this registration statement with respect to the shares of common stock offered hereunder by the Selling Securityholder. There can be no assurance that the selling securityholders will sell all or any of the shares of common stock offered hereunder.

We will not receive any of the proceeds from the sale of the Shares by the Selling Securityholders or their transferees. "Selling Securityholders" includes donees and pledgees selling shares received from the named Selling Securityholder after the date of this prospectus.

LEGAL MATTERS

The validity of our securities offered hereby have been passed upon by Berlack, Israels & Liberman LLP.

EXPERTS

The consolidated financial statements of Steven Madden, Ltd. included in our annual report on Form 10-K for the year ended December 31, 1998, incorporated by reference in this Prospectus have been audited by Richard A. Eisner & Company, LLP, independent auditors, as indicated in their report with respect thereto, and are incorporated herein by reference in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION OF SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers, and controlling persons, we have been advised that in the opinion of the Commission this indemnification is against public policy as expressed in the Securities Act and is, therefore unenforceable. In the event that a claim of indemnification against these liabilities, other than our payment of expense incurred or paid by one of our directors, officers, or controlling persons in the successful defense of any action, suit or proceeding, is asserted by that director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by a controlling precedent, submit to a court of appropriate jurisdiction the question whether this indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of these issues.

You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of this document.

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STEVEN MADDEN, LTD.

200,000 SHARES OF COMMON STOCK

PROSPECTUS

_____, 1999

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The estimated expenses in connection with this offering are as follows:

SEC filing fee.....	\$ 417.00
Legal fees and expenses*.....	\$ 15,000.00
Accounting fees and expenses*.....	\$ 10,000.00
Blue Sky fees and expenses*.....	\$ --
Printing and engraving*.....	\$ 2,000.00
Transfer Agent's and Registrar fees*.....	\$ --
Miscellaneous expenses*.....	\$ 583.00

Total.....	\$ 28,000.00
	=====

* Estimated

Item 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law (the "DGCL") provides that a corporation may indemnify its directors and officers, as well as other employees and individuals, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with specified actions, suits or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation -- a "derivative action"), if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such actions, and the statute requires court approval before there can be any indemnification in which the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's charter, bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

Article Tenth of the Company's Certificate of Incorporation states as follows:

The Corporation shall, to the fullest extent permitted by Section 145 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said section from and against any and all of the expenses, liabilities, or other matters referred to in or covered by said section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of their heirs, executors, and administrators of such a person.

ITEM 16. EXHIBITS.

Exhibits

- - - - -

- 4.1 Warrant Agreement issued to the Selling Securityholder
- 5.1 Opinion of Berlack, Israels & Liberman LLP
- 23.1 Consent of Berlack, Israels & Liberman LLP (included in Exhibit 5.1)
- 23.2 Consent of Richard A. Eisner & Company, LLP

* Incorporated by Reference to the Company's Registration Statement on Form SB-2, No. 333-11015.

ITEM 17. UNDERTAKINGS.

(a) RULE 415 OFFERING

The undersigned registrant will:

1. File, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to:

- (i) Include any prospectus required by Section 10(a)(3) of the Act;
- (ii) Reflect in the prospectus any facts or events which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;
- (iii) Include any additional or changed material information on the plan of distribution;

2. For determining liability under the Securities Act, treat each such post-effective amendment as a new registration statement of the securities offered, and the offering of such securities at that time shall be deemed to be the initial bona fide offering.

3. File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

(c) INDEMNIFICATION

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or controlling persons of the Registrant pursuant to the provisions referred to in Item 15 of this Registration Statement or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(d) RULE 430A

The undersigned Registrant will:

(1) For determining any liability under the Securities Act, treat the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of a prospectus filed by the Company under Rule 424(b)(1) or (4) or 497(h) under the Securities Act as part of this Registration Statement as of the time the Commission declared it effective.

(2) For determining any liability under the Securities Act, treat each post-effective amendment that contains a form of prospectus as a new Registration Statement for the securities offered in the Registration Statement, and the offering of the securities at that time shall be deemed as the initial bona fide offering of those securities.

SIGNATURES

Pursuant to the requirement of the Securities Act of 1933, as amended, the Registrant, certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Long Island City, New York, on the 15th day of November, 1999.

STEVEN MADDEN, LTD.

By: /s/ STEVEN MADDEN

 Steven Madden
 Chairman of the Board, President
 and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement or Amendments thereto has been signed below by the following persons in the capacities and on the dates indicated.

Signature -----	Title -----	Date -----
/s/ STEVEN MADDEN ----- Steven Madden	Chairman of the Board, President and Chief Executive Officer	November 15, 1999
/s/ RHONDA BROWN ----- Rhonda Brown	Chief Operating Officer and Director	November 15, 1999
/s/ ARVIND DHARIA ----- Arvind Dharía	Chief Financial and Accounting Officer and Director	November 15, 1999
/s/ JOHN BASILE ----- John Basile	Executive Vice President and Director	November 15, 1999
/s/ CHARLES KOPPELMAN ----- Charles Koppelman	Director	November 15, 1999
/s/ JOHN L. MADDEN ----- John L. Madden	Director	November 15, 1999
/s/ PETER MIGLIORINI ----- Peter Migliorini	Director	November 15, 1999
/s/ LES WAGNER ----- Les Wagner	Director	November 15, 1999

WARRANT AGREEMENT

WARRANT FOR THE PURCHASE OF SHARES OF COMMON STOCK

No. _____

Shares 200,000

FOR VALUE RECEIVED, Steven Madden, Ltd. (the "Company"), a New York corporation, hereby certifies that Ladenburg, Thalmann & Co. Inc., or its permitted assigns are entitled to purchase from the Company, at any time or from time to time commencing September 7, 1996, and prior to 5:00 p.m., New York City time then current, on September 7, 2000, 200,000 fully paid and non-assessable shares of the common stock, \$.0001 par value, of the Company at the purchase price of \$7.50 per share. (Hereinafter, (i) said common stock, together with any other equity securities which may be issued by the Company with respect thereto or in substitution therefor, is referred to as the "Common Stock," (ii) the shares of the Common Stock purchasable hereunder are referred to as the "Warrant Shares," (iii) the aggregate purchase price payable hereunder for the Warrant Shares is referred to as the "Aggregate Warrant Price," (iv) the price payable hereunder for each of the shares of the Warrant Shares is referred to as the "Per Share Warrant Price" and (v) this warrant and all warrants hereafter issued in exchange or substitution for this warrant are referred to as the "Warrants.") The Aggregate Warrant Price is not subject to adjustment. The Per Share Warrant Price is subject to adjustment as hereinafter provided; in the event of any such adjustment, the number of Warrant Shares shall be adjusted by dividing the Aggregate Warrant Price by the Per Share Warrant Price in effect immediately after such adjustment.

1. EXERCISE OF WARRANT.

(a) This Warrant may be exercised, in whole at any time or in part from time to time, commencing September 7, 1996 (the "Commencement Date"), and prior to 5.00 p.m., New York city time then current, on September 7, 2000 (the "Expiration Date"), by the holder of this Warrant (the "Holder") by the Surrender of this Warrant (with the subscription form at the end hereof duly executed) at the address set forth in Subsection 10(a) hereof, together with proper payment of the Aggregate Warrant Price, or the proportionate part thereof if this Warrant is exercised in part. Payment for the Warrant Shares shall be made by certified or official bank check, payable to the order of the Company. If this Warrant is exercised in part, this Warrant must be exercised for a number of whole shares of the Common Stock. and the Holder is entitled to receive a new Warrant covering the number of Warrant Shares in respect of which this Warrant has not been exercised and setting forth the proportionate part of the Aggregate Warrant Price applicable to such Warrant Shares. Upon its exercise and surrender of this Warrant, the Company will (i) issue a certificate or certificate in the name of the Holder for the number of whole shares of the Common Stock to which the Holder shall be entitled and, if this Warrant is exercised in whole, in lieu of any fractional share of the Common Stock to which the Holder shall be entitled, pay cash equal to the fair value of such fractional share (determined in such reasonable manner as the Board of Directors of the Company shall determine), and (ii) deliver the other securities and properties receivable upon the exercise of this Warrant, or the proportionate part thereof if this Warrant is exercised in part, pursuant to the provisions of this Warrant

2. RESERVATION OF WARRANT SHARES.

The Company agrees that, prior to the expiration of this Warrant, the Company will at all times have authorized and in reserve, and will keep available, solely for issuance or delivery upon the exercise of this Warrant, such number of shares of the Common Stock and such amount of other securities and properties as from time to time shall be deliverable to the Holder upon the exercise of this Warrant, free and clear of all restrictions on sale or transfer (except such as may be imposed under applicable federal and state securities laws) and free and clear of all preemptive rights and all other rights to purchase Securities of the Company.

3. PROTECTION AGAINST DILUTION.

(a) If, at any time or from time to time after the date of this Warrant, the Company shall distribute to the holders of its outstanding Common Stock, (i) securities, other than shares of Common Stock, or (ii) property other than cash dividends paid in conformity with past practice, without payment therefor, with respect to Common Stock, then, and in each such case, the Holder, upon exercise of this Warrant, shall be entitled to receive the securities and property which the Holder would have held on the date of such exercise if, on the date of this Warrant, the Holder had been the holder of record of the number of shares of the Common Stock subscribed for upon such exercise and, during the period from the date of this Warrant to and including the date of such exercise, had retained such shares and the securities and properties receivable by the Holder during such period. Notice of each such distribution shall be forthwith mailed to the Holder.

(b) If, at any time or from time to time after the date of this Warrant, the Company shall (i) pay a dividend or make a distribution on its capital stock in shares of Common Stock, (ii) subdivide its outstanding shares of Common Stock into a greater number of shares, (iii) combine its outstanding shares of Common Stock into a smaller number of shares or (iv) issue by reclassification of its Common Stock any shares of capital stock of the Company, the Per Share Warrant Price in effect immediately prior to such action shall be adjusted so that the Holder of any Warrant thereafter exercised shall be entitled to receive the number of shares of Common Stock or other capital stock of the Company which he would have owned or been entitled to received immediately following the happening of any of the events described above had such Warrant been exercised immediately prior thereto. An adjustment made pursuant to this (b) shall become effective immediately after the record date in the case of a dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification. If, as a result of an adjustment made pursuant to this (b), the holder of any Warrant thereafter surrendered for exercise shall become entitled to receive shares of two or more classes of capital stock or shares of Common Stock and other capital stock of the Company, the Board of Directors (whose determination shall be conclusive and shall be described in a written notice to the Holder of any Warrant promptly after such adjustment) shall determine

the allocation of the adjusted Per Share Warrant Price between or among shares of such classes or capital stock or shares of Common Stock and other capital stock.

(c) In case of any consolidation or merger to which the Company is a party other than a merger or consolidation in which the Company is the continuing corporation, or in case of any sale or conveyance to another entity of the property of the Company as an entirety or substantially as an entirety, or in the case of any statutory exchange of securities with another entity (including any exchange effectuated in connection with a merger of any other corporation with the Company), the Holder of this Warrant shall have the right thereafter to convert such Warrant into the kind and amount of securities, cash or other property which he would have owned or have been entitled to receive immediately after such consolidation, merger, statutory exchange, sale or conveyance had this Warrant been exercised immediately prior to the effective date of such consolidation, merger, statutory exchange, sale or conveyance and in any such case if necessary, appropriate adjustment shall be made in the application of the provisions set forth in this Section 3 with respect to the rights and interests thereafter of the Holder of this Warrant to the end that the provisions set forth in this Section 3 shall thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any share of stock or other securities or property thereafter deliverable on the exercise of this Warrant. The above provisions of this 3(f) will similarly apply to successive consolidations, mergers, statutory' exchanges, sales or conveyances. Notice of any such consolidation, merger, statutory exchange, sale or conveyance, and of said provisions so proposed to be made, shall be mailed to the Holder not less than 20 days prior to such event. A sale of all or substantially all of the assets of the Company for a consideration consisting primarily of securities shall be deemed a consolidation or merger for the foregoing purposes.

(d) No adjustment in the Per Share Warrant Price shall be required unless such adjustment would require an increase or decrease of at least \$0.05 per share of Common Stock; PROVIDED, HOWEVER, that any adjustments which by reason of this (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and PROVIDED FURTHER however, that adjustments shall be required and made in accordance with the provisions of this Section 3 (other than this (g)) not later than such time as may be required in order to preserve the tax-free nature of a distribution to the Holder of this Warrant or Common Stock. All calculations under this Section 3 shall be made to the nearest cent or to the nearest 1/100th of a share, as the case may be. Anything in this Section 3 to the contrary notwithstanding, the Company shall be entitled to make such reductions in the Per Share Warrant Price, in addition to those required by this Section 3, as it in its discretion shall deem to be advisable in order that any stock dividend, subdivision of shares or distribution of rights to purchase stock or securities convertible or exchangeable for stock hereafter made by the Company to its shareholders shall not be taxable.

(e) Whenever the Per Share Warrant Price is adjusted as provided in this Section 3 and upon any modification of the rights of the Holder of this Warrant in accordance with this Section 3, the Company shall, at its own expense, within ten (10) days of such adjustment or modification, deliver to the holder of this Warrant a certificate of

the Principal Financial Officer of the Company setting forth the Per Share Warrant Price and the number of Warrant Shares after such adjustment or the effect of such modification, a brief statement of the facts requiring such adjustment or modification and the manner of computing the same. In addition, within thirty (30) days of the end of the Company's fiscal year next following any such adjustment or modification, the Company shall, at its own expense, deliver to the Holder of this Warrant a certificate of a firm of independent public accountants of recognized standing selected by the Board of Directors (who may be the regular auditors of the Company) setting forth the same information as required by such Principal Financial Officer Certificate.

(f) If the Board of Directors of the Company shall declare any dividend or other distribution in cash with respect to the Common Stock, other than out of earned surplus, the Company shall mail notice thereof to the Holder not less than 10 days prior to the record date fixed for determining shareholders entitled to participate in such dividend or other distribution.

4. FULLY-PAID STOCK: TAXES.

The Company agrees that the shares of the Common Stock represented by each and every certificate for Warrant Shares delivered on the exercise of this Warrant in accordance with the terms hereof shall, at the time of such delivery, be validly issued and outstanding, fully-paid and non-assessable and not subject to preemptive rights or other contractual rights to purchase securities of the Company, and the Company will take all such actions as may be necessary to assure that the par value or stated value, if any, per share of the Common Stock is at all times equal to or less than the then Per Share Warrant Price. The Company further covenants and agrees that it will pay, when due, and payable, any end all federal and state stamp, original issue or similar taxes which may be payable in respect of the issue of any Warrant Share or certificate therefor.

5. REGISTRATION UNDER SECURITIES ACT OF 1933.

(a) The Company agrees that if, at any one time during the period commencing on September 7, 1996 and ending on September 7, 2000, the Holder and/or the Holders of any other Warrants and/or Warrant Shares who or which shall hold not less than 50% of the Warrants and/or Warrant Shares outstanding at such time and not previously sold pursuant to this Section 5, request that the Company file a registration statement under the Securities Act of 1933 (the "Act") covering all or any of the Warrant Shares, the Company will (i) promptly notify the Holder and all other registered holders, if any, of other Warrant and/or Warrant Shares that such registration statement will be filed and that the Warrant Shares which are then held, and/or which way be acquired upon the exercise of Warrants, by the Holder and such holders will be included in such registration statement at the Holder's and such Holders' request. (ii) cause such registration statement to cover all Warrant Shares which it has been so requested to include, (iii) use its best efforts to cause such registration statement to become effective as soon as practicable and to remain effective and current and (iv) take all other action necessary under any federal or state law or regulation of any

governmental authority to permit all Warrant Shares which it has been so requested to include in such registration statement to be sold or otherwise disposed of and will maintain such compliance with each such federal and state law and regulation of any governmental authority for the period necessary for the Holder and such Holders to effect the proposed sale or other disposition.

The Company agrees that if, at any time and, from time to time during the period commencing on September 7, 1996 and ending on September 7, 2000, the Board of Directors of the Company shall authorize the filing of a registration statement (any such registration statement being sometimes hereinafter called a "Subsequent Registration Statement") under the Act (otherwise than pursuant to Section 5(a) hereof) in connection with the proposed offer of any of its securities by it or any of its shareholders, the Company will (i) promptly notify the Holder and all other registered Holders, if any, of other Warrants and/or Warrant Shares that such Subsequent Registration Statement will be filed and that the Warrant Shares which are then held, and/or which may be acquired upon the exercise of the Warrants, by the Holder and such Holders will be included in such Subsequent Registration Statement at the Holder's and such Holders' request, (ii) cause such Subsequent Registration Statement to cover all Warrant Shares which it has been so requested to include, (iii) cause such Subsequent Registration Statement to become effective as soon as practicable and to remain effective and current and (iv) take all other action necessary under any federal or state law or regulation of any governmental authority to permit all Warrant Shares which it has been so requested to include in such Subsequent Registration Statement to be sold or otherwise disposed of and will maintain such compliance with each such federal and state law and regulation of any governmental authority for the period necessary for the Holder and such Holders to effect the proposed sale or other disposition.

(c) Whenever the Company is required pursuant to the provisions of this Section 5 to include Warrant Shares in a registration statement, the Company shall (i) furnish each Holder of any such Warrant Shares and each underwriter of such Warrant Shares with such copies of the prospectus, including the preliminary prospectus, conforming to the Act (and such other documents as each such Holder or each such underwriter may reasonably request) in order to facilitate the sale or distribution of the Warrant Shares, (ii) use its best efforts to register or qualify such Warrant Shares under the blue sky laws (to the extent applicable) of such jurisdiction or jurisdictions as the Holders of any such Warrant Shares and each underwriter of Warrant Shares being sold by such Holder shall reasonably request and (iii) take such other actions as may be reasonably necessary or advisable to enable such Holders and such underwriters to consummate the sale or distribution in such jurisdiction or jurisdictions in which such Holders shall have reasonably requested that the Warrant Shares be sold.

(d) The Company shall pay all expenses incurred in connection with any registration or other action pursuant to the provisions of this Section, including the attorneys' fees and expenses of the Holder(s) of the Warrant Shares covered by such registration incurred in connection with such registration or other action, other than underwriting discounts and applicable transfer taxes relating to the Warrant Shares.

(e) The market price of Common Stock shall mean the price of a share of Common Stock on the relevant date, determined on the basis of the last reported sale price of the Common Stock as reported on the NASDAQ National Market System ("NASDAQ"), or, if there is no such reported sale on the day in question, on the basis of the average of the closing bid and asked quotations as so reported, or, if the Common Stock is not listed on NASDAQ, the last reported sale price of the Common Stock on such other national securities exchange upon which the Common Stock is listed, or, if the Common Stock is not listed on any national Securities exchange, on the basis of the average of the closing bid and asked quotations on the day in question in the over-the-counter market as reported by the National Association of Securities Dealers' Automated Quotations System, or, if not so quoted, is reported by National Quotation Bureau, Incorporated or a similar organization.

6. INDEMNIFICATION

(a) The Company agrees to indemnify and hold harmless each selling holder of Warrant Shares and each person who controls any such selling holder within the meaning of Section 15 of the Act, and each and all of them, from and against any and all losses, claims, damages, liabilities or actions, joint or several, to which any selling holder of Warrant Shares or they or any of them may become subject under the Act or otherwise and to reimburse the persons indemnified as above for any legal or other expenses (including the cost of any investigation and preparation) incurred by them in connection with any litigation or threatened litigation, whether or not resulting in ally liability, but only insofar as such losses, claims, damages, Liabilities or actions arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement pursuant to which Warrant Shares were registered under the Act hereinafter called a "Registration Statement"), any preliminary prospectus, the final prospectus or any amendment or supplement thereto (or in any application or document filed in connection therewith) or document executed by the Company based upon written information furnished by or on behalf of the Company filed in any jurisdiction in order to register or qualify the Warrant Shares under die securities laws thereof or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances wider which they were made, not misleading, or (ii) the employment by the Company of any device, scheme or artifice to defraud, or the engaging by the Company in any act, practice or course of business which operates or would operate as a fraud or deceit, or any conspiracy with respect thereto, in which the Company shall participate, in connection with the issuance and sale of any of the of the Warrant Shares; PROVIDED, HOWEVER, that (i) the indemnity agreement contained in this (a) shall not extend to any selling holder of Warrant Shares in respect if any such losses, claims, damages. liabilities or actions arising out of, or based upon. any such untrue statement or alleged untrue statement, or any such omission or alleged omission, if such statement or omission was based upon and made in conformity with information furnished in writing to the Company by a selling holder of Warrant shares specifically for use in connection with the preparation of such Registration Statement, any final prospectus, any preliminary prospectus or any such amendment or supplement thereto. The Company agrees to pay any legal and other

expenses for which it is liable under this (a) from time to time (but not more frequently than monthly) within 30 days after its receipt of a bill therefor.

(b) Each selling holder of Warrant Shares, severally and not jointly, will indemnify and hold harmless the Company, its directors, its officers who shall have signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Act to the same extent as the foregoing indemnity from the Company, but in each case to the extent, and only to the extent, that any statement in or omission from or alleged omission from such Registration Statement, any final prospectus, any preliminary prospectus or any amendment or supplement thereto was made in reliance upon information furnished in writing to the Company by such selling holder specifically for use in connection with the preparation of the Registration Statement, any final prospectus or the preliminary prospectus or any such amendment or supplement thereto; PROVIDED, HOWEVER that the obligation of any holder of Warrant Shares to indemnify the Company under the provisions of this (b) shall be limited to the product of the number of Warrant Shares being sold by the selling holder and the market price of the Common Stock on the date of the sale to the public of these Warrant Shares. Each selling holder of Warrant Shares agrees to pay any legal and other expenses for which it is liable under this (b) from time to time (but not more frequently than monthly) within 30 days after receipt of a bill therefor.

(c) If any action is brought against a person entitled to indemnification pursuant to the foregoing Sections 6 (a) or (b) (an "indemnified party") in respect of which indemnity may be sought against a person granting indemnification (an "indemnifying party") pursuant to such Sections, such indemnified party shall promptly notify such indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party of any such action shall not release the indemnifying party from any liability it may have to such indemnified party otherwise than on account of the indemnity agreement contained in (a) or (b) of this Section 6. In case any such action is brought against an indemnified party and it notifies an indemnified party of the commencement thereof, the indemnifying party against which a claim is to be made will be entitled to participate therein at its own expense and, to the extent that it may wish, to assume at its own expense the defense thereof, with counsel reasonably satisfactory to such indemnified party; PROVIDED, HOWEVER, that (i) if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded based upon advice of counsel that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party shall have the right to select separate counsel to assume such legal defenses and otherwise to participate in the defense of such action on behalf of such indemnified party or parties and (ii) in any event, the indemnified party shall be entitled to have counsel chosen by such indemnified party participate in, but not conduct, the defense at the expense of the indemnifying party. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be

liable to such indemnified party under this Section 6 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed such counsel in connection with the assumption of legal defenses in accordance with proviso (i) to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel), (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. An indemnifying party shall not be liable for any settlement of any action or proceeding effected without its written consent.

(d) In order to provide for just an equitable contribution in circumstances in which the Indemnity agreement provided for in (a) of this Section 6 is unavailable to a selling holder of Warrant Shares in accordance with its terms, the Company and the selling holder of Warrant Shares shall contribute to the aggregate losses, claims, damages and liabilities. of the nature contemplated by said indemnity agreement, incurred by the Company and the selling holder of Warrant Shares, in such proportions as is appropriate to reflect the relative benefits received by the Company and the selling holder of Warrant Shares from any offering of the Warrant Shares; PROVIDED, HOWEVER, that if such allocation is not permitted by applicable law or if the indemnified party failed to give the notice required under (c) of this Section 6, then the relative fault of the Company and the selling holder of Warrant Shares in connection with the statements or omissions which resulted in such losses, claims, damages and liabilities and other relevant equitable considerations will be considered together with such relative benefits.

(e) The respective indemnity and contribution agreements by the Company and the selling holder of Warrant Shares in section (a), (b), (c) and (d) of this Section 6 shall remain operative and in full force and effect regardless of (i) any investigation made by any selling holder of Warrant Shares or by or on behalf of any person who controls such selling holder or by the Company or any controlling person of the Company or any director or any officer of the company, (ii) payment for any of the Warrant Shares or (iii) any termination of this Agreement, and shall survive the delivery of the Warrant Shares, and any successor of the Company, or of any selling holder of Warrant Shares, or of any person who controls the Company or of any selling holder of Warrant Shares, as the case may be, shall be entitled to the benefit of such respective indemnity and contribution agreements. The respective indemnity and contribution agreements by the Company and the selling holder of Warrant Shares in (a), (b), (c) and (d) of this Section 6 shall be in addition to any liability which the Company and the selling holder of Warrant Shares may otherwise have.

7. LIMITED TRANSFERABILITY.

(a) This Warrant is not transferable or assignable by the Holder except (1) to Ladenburg, Thalmann & Co. Inc., any successor firm or corporation of Ladenburg, Thalmann & Co. Inc., (ii) to any of the

officers or employees of Ladenburg, Thalmann & Co. Inc., or of any such successor firm or (iii) in the case of an individual, pursuant to such individual's last will and testament or the laws of descent and distribution and is so transferable only upon the books of the Company which it shall cause to be maintained for the purpose. The Company may treat the registered holder of this Warrant as he or it appears on the Company's books at any time as the Holder for all purposes. The Company shall permit any holder of a Warrant or his duly authorized attorney, upon written request during ordinary business hours, to inspect and copy or make extracts from its books showing the registered holders of Warrants. All Warrants will be dated the same date as this Warrant.

(b) By acceptance hereof, the Holder represents and warrants that this Warrant is being acquired, and all Warrant Shares to be purchased upon the exercise of this Warrant will be acquired, by the Holder solely for the account of such Holder and not with a view to the fractionalization and distribution thereof and will not be sold or transferred except in accordance with the applicable provisions of the Act and the rules and regulations of the Securities and Exchange Commission promulgated thereunder, and the Holder agrees that neither this Warrant nor any of the Warrant Shares may be sold or transferred except under cover of a Registration Statement under the Act which is effective and current with respect to such Warrant Shares or pursuant to an opinion, in form and substance reasonably acceptable to the Company's counsel, that registration under the Act is not required in connection with such sale or transfer. Any Warrant Shares issued upon exercise of this Warrant shall bear the following legend:

"The Securities represented by this certificate have not been registered under the Securities Act of 1933 and are restricted securities within the meaning thereof. Such securities may not be sold or transferred except pursuant to a Registration Statement under such Act which is effective and current with respect to such securities or pursuant to an opinion of counsel reasonably satisfactory to the issuer of such securities that such sale or transfer is exempt from the registration requirements of such Act."

8. LOSS, ETC. OF WARRANT

Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant, and of indemnity reasonably satisfactory to the Company, if lost, stolen or destroyed, and upon surrender and cancellation of this Warrant, if mutilated, and upon reimbursement of the Company's reasonable incidental expenses, the Company shall execute and deliver to the Holder a new Warrant of like date, tenor and denomination.

9. WARRANT HOLDER NOT SHAREHOLDERS.

Except as otherwise provided herein, this Warrant does not confer upon the Holder any right to vote or to consent to or receive notice as a shareholder of the Company, as such, in respect of any matters whatsoever, or any other rights or liabilities as a shareholder, prior to the exercise hereof.

10. COMMUNICATION.

No notice or other communication under this Warrant shall be effective unless, but any notice or other communication shall be effective and shall be deemed to have been given if, the same is in writing and is mailed by first-class mail, postage prepaid, addressed to:

(a) the Company at 52-16 Barnett Avenue, Long Island City, NY 11104, or such other address as the Company has designated in writing to the Holder, or

(b) the Holder at 540 Madison Avenue, New York, NY 10022, or such other address as the Holder has designated in writing to the Company.

11. HEADINGS.

The headings of this Warrant have been inserted as a matter of convenience and shall not affect the construction hereof.

12. APPLICABLE LAW.

This Warrant shall be governed by and construed in accordance with the Laws of the State of New York without giving effect to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, Steven Madden, Ltd. has caused this Warrant to be signed by its Chairman of the Board and its corporate seal to be hereunto affixed and attested by its Secretary this 13th day of October, 1995.

Attest: STEVEN MADDEN, LTD.

/s/ ARVIND DHARIA

Name: Arvind Dharia
Title: Secretary

By: /s/ STEVEN MADDEN

Name: Steven Madden
Title: Chief Executive Officer

OPINION OF BERLACK, ISRAELS & LIBERMAN LLP

[LETTERHEAD OF BERLACK, ISRAELS & LIBERMAN LLP]

November 17, 1999

Steven Madden, Ltd.
52-16 Barnett Avenue
Long Island City, NY 11104

REGISTRATION STATEMENT ON FORM S-3 (FILE NO. 333-____)

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-3 to be filed by you with the Securities and Exchange Commission on or about November 17, 1999 (the "Registration Statement") in connection with the registration under the Securities Act of 1933 of shares of your common stock (the "Shares"), to be sold by a certain selling securityholder set forth in the Registration Statement (the "Selling Securityholder"). As your legal counsel in connection with this transaction, we have examined the proceedings taken and are familiar with the proceedings proposed to be taken by you in connection with the sale of the Shares.

It is our opinion that the Shares, when issued in accordance with the terms of the Warrant Agreement granted by the Company to the Selling Securityholder and sold by the Selling Securityholder in the manner described in the Registration Statement, will be legally and validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the Registration Statement and further consent to the use of our name wherever it appears in the Registration Statement and in any amendment to it.

Very truly yours,

/s/ Berlack, Israels & Liberman LLP

BERLACK, ISRAELS & LIBERMAN LLP

EXHIBIT 23.2

CONSENT OF RICHARD A. EISNER & COMPANY, LLP

CONSENT OF INDEPENDENT AUDITORS

EXHIBIT 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the Registration Statement on Form S-3 of our report dated February 19, 1999 on our audit of the consolidated financial statements of Steven Madden, Ltd. and subsidiaries included in the Annual Report on Form 10-K for the year ended December 31, 1998 and to the reference to our firm under the caption "Experts" in the prospectus.

Richard A. Eisner & Company, LLP

New York, New York
November 15, 1999