

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C.

FORM S-8

REGISTRATION STATEMENT

under

THE SECURITIES ACT OF 1933

STEVEN MADDEN, LTD.

(Exact name of registrant as specified in its charter)

New York  
(State or other juris-  
diction of organization)

13-3588231  
(I.R.S. Employer  
Identification No.)

52-16 Barnett Avenue, Long Island City, NY 11104  
(Address of Principal Executive Offices) (Zip Code)

30,000 SHARES OF COMMON STOCK ISSUABLE UPON THE EXERCISE OF STOCK OPTIONS

(Full title of the plan)

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

(Name and address of agent for service)

(718) 446-1800  
(Telephone number, including area code,  
of agent for service)  
continued overleaf

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per Share	Proposed maximum aggregate offering price(2)	Amount of registration fee
Common Stock, par value \$.0001 per share	30,000	\$5.50 (2)	\$165,000	\$49.95
Total				----- \$49.95

(1) In addition, pursuant to Rule 416 under the Securities Act of 1933, as amended ("Securities Act"), this registration statement also covers an indeterminate number of shares as may be required by reason of any stock dividend, recapitalization, stock split, reorganization, merger, consolidation, combination or exchange of shares or other similar change affecting the stock.

(2) The proposed maximum offering price per share is based upon the designated exercise price as stated in the Stock Option Agreement under which the option was granted.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

ITEM 1. PLAN INFORMATION

ITEM 2. REGISTRANT INFORMATION AND EMPLOYEE PLAN ANNUAL INFORMATION

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents or portions thereof, as filed with the Securities and Exchange Commission by Steven Madden, Ltd., a New York corporation (the "Corporation"), are incorporated herein by reference:

- (1) Quarterly Report on Form 10-QSB for the quarter ended September 30, 1996.
- (2) Quarterly Report on Form 10-QSB for the quarter ended June 30, 1996.
- (3) Quarterly Report on Form 10-QSB for the quarter ended March 31, 1996.
- (4) Annual Report on Form 10-KSB/A for the year ended December 31, 1995.
- (5) The description of the Common Stock, par value \$.0001 per share ("Common Stock"), of the Corporation contained in the Corporation registration statement filed under Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

All documents filed by the Corporation pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), subsequent to the effective date of this Registration Statement and prior to the filing of a post-effective amendment which indicate that all securities offered have been sold or which registers all securities then remaining unsold, shall be deemed to be incorporated by reference in the Registration Statement and to be part thereof from the date of filing such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

ITEM 4. DESCRIPTION OF SECURITIES.

Not Applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Not Applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Article IV of the By-Laws provides as follows:

"ARTICLE IV"

INDEMNIFICATION

Indemnification. The Corporation shall (a) indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense of settlement of such action or suit, (b) indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he is or was a director or officer of the Corporation, or served at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any such action, suit or proceeding, in each case to the fullest extent permissible under the indemnification provisions of Section 722 of the New York Business Corporation Law or any successor statute and (c) advance reasonable and necessary expenses in connection with such actions or suits, and not seek reimbursement of such expenses unless there is a specific determination that the officer or director is not entitled to such indemnification. The foregoing right of indemnification shall in no way be exclusive of any other rights of indemnification to which any such persons may be entitled, under any by-law, agreement, vote of shareholders or disinterested directors or otherwise, and shall inure to the benefit of the heirs, executors and administrators of such a person.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Not Applicable.

ITEM 8. EXHIBITS

The following is a complete list of exhibits filed as a part of this registration statement:

Exhibit No. -----	Document -----
4.3	Employment Agreement dated as of May 6, 1996 between the Corporation and Faye S. Weisberg.
4.4	Stock Option Agreement dated as of May 6, 1996 between the Corporation and Faye S. Weisberg.
5.1	Opinion of Bernstein & Wasserman, LLP.
23.1	Consent of Bernstein & Wasserman, LLP (included in Exhibit 5.1).
23.2	Consent of Richard A. Eisner & Company, LLP.

ITEM 9. UNDERTAKINGS

A. The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement;

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, the paragraphs (1)(i) and (1)(ii) do not apply if the information is required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time be deemed to be the initial bona fide offering thereof; and;

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in item 6, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange 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 Act and will be governed by the final adjudication of such issue.

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-8 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 18th day of November, 1996.

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 18, 1996
/s/Rhonda Brown ----- Rhonda Brown	Chief Operating Officer and Director	November 18, 1996
/s/Arvind Dharja ----- Arvind Dharja	Chief Financial and Accounting Officer and Director	November 18, 1996
/s/John L. Madden ----- John L. Madden	Director	November 18, 1996
/s/Peter Migliorini ----- Peter Migliorini	Director	November 18, 1996
/s/Leg Wagner ----- Les Wagner	Director	November 18, 1996

STEVEN MADDEN, LTD  
EXHIBITS  
TO  
REGISTRATION STATEMENT ON FORM S-8



INDEX TO EXHIBITS

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23.2	Consent of Richard A. Eisner & Company, LLP.

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of May , 1996, by and between Steven Madden, Ltd., a New York corporation (the "Company"), and FAYE S. WEISBERG, an individual residing at 440 East 62nd Street, Apt. 19F, New York, NY 10021 (the "Executive").

W I T N E S E T H :

WHEREAS, the Company desires to secure the services of the Executive upon the terms and conditions hereinafter set forth; and

WHEREAS, the Executive desires to render services to the Company upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties mutually agree as follows:

Section 1. Employment. The Company hereby employs Executive and the Executive hereby accepts such employment, as the Vice President/National Director of Sales of the Company's wholly owned subsidiary, Diva Acquisition Corp., including the business formerly carried on by Diva International, Inc. ("Diva"), and the National Director of Catalog Sales for the Company and its subsidiaries, subject to the terms and conditions set forth in this Agreement. For purposes of this Agreement, Catalog Sales means sales through catalogs produced or published by persons other than the Company or its subsidiaries.

Section 2. Duties. The Executive shall serve as the Vice President/National Director of Sales for Diva and as National Director of Catalog Sales for the Company and its subsidiaries and shall(i) be responsible for supervising the national sales of Diva and national catalog sales for the Company and its subsidiaries and developing a catalog for the Company and its subsidiaries; and (ii) properly perform such duties as may be lawfully assigned to her from time to time by the President and the Board of Directors of the Company. If requested by the Company, the Executive shall serve on the Board of Directors or any committee thereof without additional compensation. During the term of this Agreement, the Executive shall devote all of her business time to the performance of her duties hereunder unless otherwise authorized by the Board of Directors; provided, however, that the Executive may devote reasonable amounts of time, to the pursuit of Executive's personal business activities which are wholly unrelated to the footwear industry, provided such activities are not conducted during normal business hours or at such times as the Company may require Executive's services.

Section 3. Term of Employment; Preliminary Period; Vacation.

(a) The term (the "Term") of the Executive's employment

shall be for a period of thirty six (36) months commencing on May 6, 1996 (the "Start Date"), subject to earlier termination by the parties pursuant to Sections 5 and 6 hereof. Unless otherwise specifically provided herein, all compensation obligations commence as of the Start Date.

(b) Notwithstanding any other provisions in this Agreement, during the ninety (90) day period following the Start Date, the Company or the Executive may terminate this Agreement by delivering to the other party five (5) days prior written notice of termination. Upon such termination, neither party shall have any obligation to the other party, except that the Company shall pay to the Executive (i) the Expense Reimbursement Amount (as hereinafter defined), (ii) the Unpaid Salary Amount (as hereinafter defined) through the termination date and (iii) the Initial Options (as hereinafter defined) which shall remain exercisable for a period of one (1) year following the termination date.

(c) The Executive shall be entitled to four (4) weeks vacation during each year of the Term.

#### Section 4. Compensation of Executive.

4.1 Salary. The Company shall pay to Executive a base salary of One Hundred Thirty Thousand (\$130,000) Dollars per

annum (the "Base Salary"), less such deductions as shall be required to be withheld by applicable law and regulations. All salaries payable to Executive shall be paid at such regular weekly, biweekly or semi-monthly time or times as the Company makes payment of its regular payroll in the regular course of business. Commencing on the first anniversary of the Start Date hereof, and on each anniversary thereafter during the term of this Agreement, the Base Salary shall be increased by 10%.

Prior to October 1, 1996, the Company and the Executive agree to negotiate, in good faith, appropriate compensation to be paid to Executive in consideration for Executive's services in the development of the Company's mail order catalog which shall be developed for purposes of selling products of the Company or its subsidiaries directly to the consumer.

4.2 Performance Bonus. During the term of this Agreement, the Executive shall be entitled to receive a performance bonus (the "Performance Bonus") based upon the Net Sales of Diva (including Diva Catalog Sales). For purposes of this Agreement "Net Sales" shall be defined as gross sales less returns, damaged goods and goods not delivered, all as determined in accordance with the generally accepted accounting principles and as reflected on the Company's quarterly financial statements.

Within 45 days following the end of each fiscal quarter beginning with the quarter ending June 30, 1996, the Executive shall be entitled to receive a Performance Bonus for that fiscal quarter equal to one percent (1%) of the amount by which quarterly Net Sales exceed \$750,000 and one half of one percent (.5%) of the amount by which quarterly Net Sales exceed \$2,500,000. An adjustment shall be made at the end of the relevant fiscal year so that the Performance Bonus paid to the Executive for the fourth fiscal quarter shall result in the Executive receiving an annual Performance Bonus for that entire fiscal year equal to one percent (1%) of the amount by which annual Net Sales exceeds \$3,000,000 and one half of one percent (.5%) of the amount by which annual Net Sales exceeds \$10,000,000. The Company shall pay the Performance Bonus in cash. For purposes of this Agreement the term "fiscal year" shall mean the calendar year.

4.3 Stock Options. (a) Upon the execution of this Agreement, the Executive shall receive options to purchase 30,000 shares of Common Stock of the Company at a price equal to \$5.50 per share, which shall be immediately exercisable and subject to the terms and conditions of an Option Agreement, substantially in the form of Exhibit A attached hereto (the "Initial Options").

(b) In addition, the Executive shall be entitled to receive

options to purchase 30,000 shares of Common Stock of the Company for each \$2,000,000 by which Net Sales of Diva (including Diva Catalog Sales) for any fiscal year exceed \$3,000,000 (i.e. upon the achievement of annual Net Sales of \$5,000,000, \$7,000,000, \$9,000,000 and \$11,000,000 (the "Net Sales Targets")), up to a maximum aggregate grant of 120,000 options (the "Performance Options"). The Performance Options shall be issued as soon as possible, but no later than within ninety (90) days following the end of the relevant fiscal year and shall be exercisable at a price equal to the closing bid price of the Company's shares of Common Stock on such date; provided however, that should one of the Net Sales Targets be achieved prior to the fourth fiscal quarter, the appropriate number of Performance Options shall be issued as soon as possible but no later than forty five (45) days following the end of the fiscal quarter during which the Net Sales Target was achieved at a price equal to the closing bid price of the Company's shares of Common Stock on such date. Upon the issuance of all of the Performance Options prior to the end of the Term, the Company and the Executive shall negotiate in good faith towards the issuance of options or other additional compensation for the Executive. The Performance Options will be substantially in the form of Exhibit B and shall be registered by

the Company for sale to the public.

4.4 Sales Commission. Within forty-five (45) days following the end of each fiscal quarter, the Executive shall be entitled to receive a sales commission, in cash, equal to two percent (2%) of the total Gross Catalog Sales, meaning gross orders booked or invoiced, without reduction for returns,

allowances or other items of the Company and any subsidiary during such fiscal quarter (the "Sales Commission"). The Company shall advance to the Executive an amount equal to \$1,500 per month (the "Advance Amount"), such amounts to reduce the Sales Commissions payable during the Term pursuant to the preceding sentence. In the event that the aggregate amount of the Sales Commission earned during the Term is not equal to or greater than the Advance Amount paid, then the Executive shall not be required to repay the Advance Amount to the Company.

4.5 Expenses. During the Term, the Company shall promptly reimburse the Executive for all reasonable and necessary travel expenses and other disbursements incurred by the Executive on behalf of the Company, in performance of the Executive's duties hereunder, assuming Executive has received prior approval for such travel expenses and disbursements by the Company to the extent possible.



4.6 Benefits. The Executive shall be permitted during the Term to participate in any hospitalization or disability insurance plans, health programs, pension plans, bonus plans or similar benefits that may be available to other executives of the Company or Diva subject to such eligibility rules as are applied to senior managers generally. In the event that the Executive elects not to be covered the benefit plans provided by the Company to its other executives, the Company shall pay to the Executive an amount equal to the amount the Company would have paid on the Executive's behalf for such benefits, less any amount which each participating executive is required to contribute for such plan coverage.

5. Disability of the Executive. If the Executive is incapacitated or disabled by accident, sickness or otherwise so as to render the Executive mentally or physically incapable of performing the services required to be performed under this Agreement for a period of 180 days in any period of 360 consecutive days (a "Disability"), the Company may, at the time or any time thereafter, at its option, terminate the employment of the Executive under this Agreement immediately upon giving the Executive written notice to that effect.

6. Termination.

(a) The Company may terminate the employment of the Executive and all of the Company's obligations under this Agreement at any time for Cause (as hereinafter defined) by giving the Executive notice of such termination, with reasonable specificity of the details thereof. "Cause" shall mean (i) the Executive's misconduct which could reasonably be expected to have a material adverse effect on the business and affairs of the Company, (ii) the Executive's disregard of lawful instructions of the Company's Board of Directors or President consistent with the Executive's position relating to the business of the Company or neglect of duties or failure to act, which, in each case, could reasonably be expected to have a material adverse effect on the business and

affairs of the Company, (iii) the Executive engages in conduct which is publicly abusive to the Company's Chief Executive Officer or members of the Board of Directors, (iv) the commission by the Executive of an act constituting common law fraud, or a felony, or criminal act against the Company or any affiliate thereof or any of the assets of any of them, (v) the Executive's abuse of alcohol or other drugs or controlled substances, or conviction of a crime involving moral turpitude, (vi) the Executive's material breach of any of the agreements contained herein or (vii) the Executive's death or resignation

hereunder; provided however, that if the Executive resigned as a result of a material breach by the Company of this Agreement, such resignation shall not be considered "Cause" hereunder. A termination pursuant to Section 6(a)(i), (ii), (iv), (v) (other than as a result of a conviction of a crime involving moral turpitude) or (vi) shall take effect 60 days after the giving of the notice contemplated hereby unless the Executive shall, during such 60-day period, remedy to the reasonable satisfaction of the Board of Directors of the Company the misconduct, disregard, abuse or breach specified in such notice; provided, however, that such termination shall take effect immediately upon the giving of such notice if the Board of Directors of the Company shall, in its reasonable discretion, have determined that such misconduct, disregard, abuse or breach is not remediable (which determination shall be stated in such notice). A termination pursuant to Section 6(a)(iii), (v) (as a result of a conviction of a crime involving moral turpitude) or (vii) shall take effect immediately upon the giving of the notice contemplated hereby.

(b) The Company or the Executive may terminate the employment of the Executive and all of the Company's obligations under this Agreement (except as hereinafter provided) at any time during the Employment Period without Cause by giving the

Executive or the Company, as appropriate, written notice of such termination, to be effective 15 days following the giving of such written notice. For convenience of reference, the date upon which any termination of the employment of the Executive pursuant to Sections 5 or 6 shall be effective shall be hereinafter referred to as the "Termination Date". In the event the Executive resigns as a result of a material breach of the Agreement by the Company, such resignation shall be treated as a termination by the Company other than for Cause, as described in Section 7(c) provided the Executive shall have given the Company thirty (30) days written notice, and the Company shall not have cured the breach within such thirty (30) day period.

7. Effect of Termination of Employment.

(a) Upon the termination of the Executive's employment for Cause, neither the Executive nor the Executive's beneficiaries or estate shall have any further rights to compensation under this Agreement or any claims against the Company arising out of this Agreement, except the right to receive (i) the unpaid portion of the Base Salary provided for in Section 4.1, earned through the Termination Date (the "Unpaid Salary Amount"), (ii) reimbursement for any expenses for which the Executive shall not have theretofore been reimbursed, as

provided in Section 4.6 (the "Expense Reimbursement Amount") and (iii) accrued and unpaid amounts owed to the Executive under Sections 4.2 and 4.4 hereof computed on a pro rata basis through the Termination Date.

(b) Upon the termination of the Executive's employment for a Disability, neither the Executive nor the Executive's beneficiaries or estate shall have any further rights to compensation under this Agreement or any claims against the Company arising out of this Agreement, except the right to receive (i) the Unpaid Salary Amount, (ii) the Expense Reimbursement Amount and (iii) accrued and unpaid amounts owed to the Executive under Section 4.2, 4.3 and 4.4 hereof through the Termination Date, including a pro-rata entitlement to such amounts equal to the award to which the Executive would have been entitled at the end of the applicable fiscal period pro-rated for the period of the Executive's employment during such fiscal period (collectively, the "Additional Payments").

(c) Upon the termination of the Executive's employment for other than Cause or a Disability, neither the Executive nor the Executive's beneficiaries or estate shall have any further rights to compensation under this Agreement or any claims against the Company arising out of this Agreement, except the Executive

shall have the right to receive (i) the Unpaid Salary Amount, (ii) the Expense Reimbursement Amount, (iii) severance compensation equal to the Base Salary for the term of this Agreement (as if this Agreement was not terminated), 50% of which is payable on the Termination Date and 50% of which is payable in equal monthly installments during the period commencing thirty (30) days following the Termination Date and continuing for a period of twelve months thereafter, and (iv) the Additional Payments.

Section 8. Disclosure of Confidential Information. Executive recognizes that she has had and will continue to have access to secret and confidential information regarding the Company, including but not limited to its customer list, products, know-how, and business plans. Executive acknowledges that such information is of great value to the Company, is the sole property of the Company, and has been and will be acquired by her in confidence. In consideration of the obligations undertaken by the Company herein, Executive will not, at any time, during or after her employment hereunder, reveal, divulge or make known to any person, any information acquired by Executive during the course of her employment, which is treated as confidential by the Company, including but not limited to its

customer list, not otherwise in the public domain, other than in the ordinary of business during her employment hereunder. The provisions of this Section 8 shall survive Executive's employment hereunder.

Section 9. Covenant Not To Compete.

(a) Executive recognizes that the services to be performed by her hereunder are special, unique and extraordinary. The parties confirm that it is reasonably necessary for the protection of Company that Executive agree, and accordingly, Executive does hereby agree, that she shall not, directly or indirectly, at any time during the term of the Agreement and the "Restricted Period" (as defined in Section 9(e) below):

- (i) except as provided in Subsection (c) below, be engaged in the sale, marketing or distribution of footwear products or provide technical assistance, advice or counseling regarding the footwear industry in any state in the United States in which the Company or any affiliate thereof is engaged in business, either on her own behalf or as an officer, director, stockholder, partner, consultant, associate, employee, owner, agent, creditor, independent contractor, or co-venturer

of any third party; or

- (ii) employ or engage, or cause or authorize, directly or indirectly, to be employed or engaged, for or on behalf of herself or any third party, any employee or agent of Company or any affiliate thereof.

(b) Executive hereby agrees that she will not, directly or indirectly, for or on behalf of herself or any third party, at any time during the term of the Agreement and during the Restricted Period solicit any customers of the Company or any affiliate thereof.

(c) If any of the restrictions contained in this Section 9 shall be deemed to be unenforceable by reason of the extent, duration or geographical scope thereof, or otherwise, then the court making such determination shall have the right to reduce such extent, duration, geographical scope, or other provisions hereof, and in its reduced form this Section shall then be enforceable in the manner contemplated hereby.

(d) This Section 9 shall not be construed to prevent Executive from owning, directly or indirectly, in the aggregate, an amount not exceeding five percent (5%) of the issued and outstanding voting securities of any class of any company whose



voting capital stock is traded on a national securities exchange or on the over-the-counter market other than securities of the Company.

(e) The term "Restricted Period," as used in this Section 9, shall mean the period of Executive's actual employment hereunder plus (A) in the event the Executive voluntarily terminates her employment after the Preliminary Period other than a resignation as a result of a material breach of the Agreement by the Company, six months, and (B) in the event the Executive's employment is terminated without Cause or a Disability as described in Section 7(c) above, the period during which the Company is required to make continued payments to the Executive pursuant to this Agreement; provided, however, that, in the event the Executive waives, in writing, her right to receive such continued payments, the Executive shall not be subject to this Section 9.

(f) The provisions of this Section 9 shall survive the end of the Restricted Period as provided in Section 9(e) hereof.

#### Section 10. Miscellaneous.

10.1 Injunctive Relief. Executive acknowledges that the services to be rendered under the provisions of this

Agreement are of a special, unique and extraordinary character and that it would be difficult or impossible to replace such services. Accordingly, Executive agrees that any breach or threatened breach by her of Sections 8 or 9 of this Agreement shall entitle Company, in addition to all other legal remedies available to it, to apply to any court of competent jurisdiction to seek to enjoin such breach or threatened breach. The parties understand and intend that each restriction agreed to by Executive hereinabove shall be construed as separable and divisible from every other restriction, that the unenforceability of any restriction shall not limit the enforceability, in whole or in part, of any other restriction, and that one or more or all of such restrictions may be enforced in whole or in part as the circumstances warrant. In the event that any restriction in this Agreement is more restrictive than permitted by law in the jurisdiction in which Company seeks enforcement thereof, such restriction shall be limited to the extent permitted by law.

10.2 Assignments. Neither Executive nor the Company may assign or delegate any of their rights or duties under this Agreement without the express written consent of the other.

10.3 Entire Agreement. This Agreement constitutes and embodies the full and complete understanding and agreement of the

parties with respect to Executive's employment by Company, supersedes all prior understandings and agreements, whether oral or written, between Executive and Company, and shall not be amended, modified or changed except by an instrument in writing executed by the party to be charged. The invalidity or partial invalidity of one or more provisions of this Agreement shall not invalidate any other provision of this Agreement. No waiver by either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

10.4 Binding Effect. This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors, heirs, beneficiaries and permitted assigns.

10.5 Headings. The headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

10.6 Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered, sent by registered or certified mail,

return receipt requested, postage prepaid, or by private overnight mail service (e.g. Federal Express) to the party at the address set forth above or to such other address as either party may hereafter give notice of in accordance with the provisions hereof. Notices shall be deemed given on the sooner of the date actually received or the third business day after sending.

10.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to such State's conflicts of laws provisions and each of the parties hereto irrevocably consents to the jurisdiction and venue of the federal and state courts located in the State of New York, County of New York.

10.8 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one of the same instrument.

10.9 Separability. If any of the restrictions contained in this Agreement shall be deemed to be unenforceable by reason of the extent, duration or geographical scope thereof, or otherwise, then the court making such determination shall have the right to reduce such extent, duration, geographical scope, or other provisions hereof, and in its reduced form this Agreement shall

then be enforceable in the manner contemplated hereby.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

STEVEN MADDEN, LTD.

By: \_\_\_\_\_  
Name: Steven Madden  
Title: Chief Executive Officer

\_\_\_\_\_  
Faye S. Weisberg

NON QUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT dated as of the \_\_\_\_ day of May, 1996, (the "Grant Date") is made and entered into by and between STEVEN MADDEN, LTD., a New York corporation with its principal offices located at 540 Broadway, New York, New York 10012 (the "Company") and Faye S. Weisberg whose address is 440 East 62nd Street, Apt 19F, New York, NY 10021 (the "Optionee").

W I T N E S S E T H:

WHEREAS, the Board of Directors of the Company has approved the granting to the Optionee of the option to purchase certain shares of common stock, par value \$.0001 per share ("Common Stock"); and

WHEREAS, the Optionee desires to accept the grant of such option, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, the Company and the Optionee hereby agree as follows:

Section 1. Grant of Option. Subject to the provisions of this Agreement, the Company hereby grants to the Optionee an option (the "Option") to purchase from the Company at any time during the period commencing on the following Grant Date through

and including November 2, 1997 (the "Termination Date") Thirty Thousand (30,000) shares of Common Stock (the "Option Shares") at an exercise price of \$5.50 per share (the "Exercise Price").

Section 2. Termination of Options. To the extent not exercised, the Option shall terminate on the Termination Date.

Section 3. Corporate Events. In the event of a proposed liquidation of the Company, a proposed sale of all or substantially all of its assets or its Common Stock, a proposed merger or consolidation, or a proposed separation or reorganization, the Board of Directors may declare that the Option shall terminate as of a date to be fixed by the Board of Directors; provided however, that not less than thirty (30) days preceding the date of such termination, the Optionee may exercise the Option in whole or in part. However, nothing set forth herein shall (i) extend the term set for purchasing the Option Shares or (ii) give the Optionee any rights or privileges as a stockholder of the Company prior to Optionee's exercise of any of the Option Shares.

Section 4. Exercise of Option. The Option may be exercised in whole or in part in accordance with the provisions of this Agreement by the Optionee's

tendering the Exercise Price (or a proportionate part thereof if the Option is partially

exercised) in immediately available funds. The Company shall cooperate to the extent reasonably possible with the Optionee in an exercise pursuant to which all or part of the Option Shares will be sold simultaneously with the exercise of this Option with the broker-dealer participating in such sale being irrevocably instructed to remit to the Company (or its transfer agent) sufficient proceeds from the sale of such Option Shares to pay the exercise price and any withholding taxes. All documentation and procedures to be followed in connection with such a "cashless exercise" shall be approved in advance by the Company, which approval shall be expeditiously provided and not unreasonably withheld.

Section 5. Shares Certificates. Upon receipt of payment in full of the Exercise Price, and after taking such steps as it deems necessary to satisfy any withholding tax obligations imposed upon it by any level of government, the Company will cause one or more stock certificates evidencing the Optionee's ownership of the Option Shares so purchased by the Optionee to be issued to the Optionee.

Section 6. Restrictions; Registration Rights. The Option and the Option Shares have not been registered under the Securities Act of 1933, as amended (the "Act"). The Company



agrees to use its best efforts to register the Option Shares on Form S-8 with the Securities and Exchange Commission within 90 days after the Grant Date. Such Option Shares may not be sold, transferred, pledged, assigned or otherwise disposed of at any time during the six (6) month period following the Grant Date.

Section 7. Default of Optionee. Should the Optionee fail to pay the appropriate Exercise Price in connection with an exercise of this Option, the Option granted hereunder shall be null and void. This provision shall be in addition and not in lieu of any other remedies which the Company may have at law and/or in equity.

Section 8. Adjustments and Corporate Reorganizations. If the outstanding shares of stock of the class then subject to this Option are changed into or exchanged for a different number or kind of shares or securities or other forms of property (including cash) or rights, as a result of one or more reorganizations, recapitalizations, spin-offs, stock splits, reverse stock splits, stock dividends or the like, appropriate adjustments shall be made in the number and/or kind of shares or securities or other forms of property (including cash) or rights for which this Option may thereafter

be exercised, all without any change in the aggregate exercise price applicable to the unexercised portions of this Option, but with a corresponding adjustment in the exercise price per share or other unit. No fractional share of stock shall be issued under this Option or in connection with any such adjustment. Such adjustments shall be made by or under authority of the Company's board of directors whose determinations as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

Upon the dissolution or liquidation of the Company, or upon a reorganization, merger or consolidation of the Company as a result of which the outstanding securities of the class then subject to this Option are changed into or exchanged for property (including cash), rights or securities not of the Company's issue, or any combination thereof, or upon a sale of substantially all the property of the Company to, or the acquisition of stock representing more than eighty percent (80%) of the voting power of the stock of the Company then outstanding by, another corporation or person, this Option shall terminate, unless provision be made in writing in connection with such transaction for the assumption of this Option, or the substitution for this Option of an option covering the stock of a

successor employer corporation, or a parent or a subsidiary thereof, with appropriate adjustments in accordance with the provisions hereinabove in this Section 4 as to the number and kind of shares optioned and their exercise prices, in which event this Option shall continue in the manner and under the terms so provided.

If this Option shall terminate pursuant to the next preceding paragraph, the Optionee or other person then entitled to exercise this Option shall have the right, at such time prior to the consummation of the transaction causing such termination as the Company shall designate, to exercise the unexercised portions of this Option, including the portions thereof which would, but for this Section 8 not yet be exercisable.

Section 9. Miscellaneous Provisions.

(a) Notices. Unless otherwise specifically provided herein, all notices to be given hereunder shall be in writing and sent to the parties by certified mail, return receipt requested, which shall be addressed to each party's respective address, as set forth in the first paragraph of this Agreement, or to such other address as such party shall give to the other party hereto by a notice given in accordance with this Section and, except as otherwise provided in this Agreement, shall be effective when

deposited in the United States mail properly addressed and postage prepaid. If such notice is sent other than by the United States mail, such notice shall be effective when actually received by the party being noticed.

(b) Assignment. This Agreement and the rights granted hereunder may not be assigned in whole or in part by Optionee except by will or the laws of descent and distribution, and the Option is exercisable during Optionee's lifetime only by the Optionee. This Agreement may be assigned by the Company without the consent of the Optionee.

(c) Further Assurances. Both parties hereto shall execute and deliver such other instruments and do such other acts as may be necessary to carry out the intent and purposes of this Agreement.

(d) Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms and the singular form of nouns and pronouns shall include the plural and vice versa.

(e) Captions. The captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or prescribe the scope of this Agreement or the intent of any of the provisions hereof.

(f) Completeness and Modification. This Agreement constitutes the entire understanding between the parties hereto superseding all prior and contemporaneous agreements or understandings among the parties hereto concerning the grant of stock options to the Optionee. This Agreement shall not be terminated, except in accordance with its terms, or amended in writing executed by all of the parties hereto.

(g) Waiver. The waiver of a breach of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other breach of the same or any other term or condition.

(h) Severability. The invalidity or enforceability, in whole or in part, of any covenant, promise or undertaking, or any section, subsection, paragraph, sentence, clause phrase or word or of any provision of this Agreement shall not affect the validity or enforceability of the remaining portions thereof.

(i) Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(j) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the heirs, successors, estate and personal representatives of the Optionee and upon the successors and assigns of the Company.

(k) Litigation-Attorney' Fees. In connection with any

litigation arising out of the enforcement of this Agreement or for its interpretation, the prevailing party shall be entitled to recover its costs, including reasonable attorneys' fees, at the trial and all appellate levels from the other party hereto, who was an adverse party to such litigation.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth in the first paragraph of this Agreement above.

STEVEN MADDEN, LTD.

BY: \_\_\_\_\_  
Steven Madden  
President

\_\_\_\_\_  
Faye S. Weisberg

November 18, 1996

Steven Madden, Ltd.  
52-16 Barnett Avenue  
Long Island City, NY 11105

Ladies and Gentlemen:

We have acted as counsel for Steven Madden, Ltd., a New York corporation ("Company"), in connection with a Registration Statement on Form S-8 ("Registration Statement") being filed contemporaneously herewith by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), covering an aggregate of 30,000 shares of the Company's common stock, \$.0001 par value ("Common Stock"), reserved for issuance upon the exercise of options heretofore granted pursuant to that certain Option Agreement between the Company and Faye Weisberg (the "Option").

In that connection, we have examined the Certificate of Incorporation, as amended, and the Amended and Restated By-Laws of the Company, the Registration Statement, the Options, corporate proceedings of the Company relating to the issuance of the Common Stock pursuant to the Options, and such other instruments and documents as we have deemed relevant under the circumstances.

In making the aforesaid examinations, we have assumed the

genuineness of all signatures and the conformity to original documents of all copies furnished to us as original or photostatic copies. We have also assumed that the corporate records of the Company include all corporate proceedings taken by the Company to date.

Based upon and subject to the foregoing, we are of the opinion that the Common Stock has been duly and validly authorized and, when issued and paid for as described in the Option, will be duly and validly issued, fully paid and nonassessable.

We hereby consent to the use of this opinion as herein set forth as an exhibit to the Registration Statement.

Very truly yours,

BERNSTEIN & WASSERMAN, LLP



CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Registration Statement on Form S-8 being filed under the Securities Act of 1933 by Steven Madden, Ltd. of our report dated February 23, 1996 relating to the financial statements included in the December 31, 1995 Annual Report on Form 10-KSB/A, as amended of Steven Madden, Ltd.

/s/ Richard A. Eisner, LLP

New York, New York  
November 18, 1996