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

FORM 10-Q

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

For the quarterly period ended September 30, 2002

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

For the transition period from _________________ to _________________

Commission File Number 0-23702

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

Delaware	13-3588231
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

52-16 Barnett Avenue, Long Island City, New York	11104
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (718) 446-1800

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

Yes [X] No [ ]

Class	Outstanding as of November 11, 2002
Common Stock	12,721,455

STEVEN MADDEN, LTD.
FORM 10-Q
QUARTERLY REPORT
September 30, 2002

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STEVEN MADDEN, LTD. AND SUBSIDIARIES

Consolidated Balance Sheets
(in thousands)

	September 30, 2002 (Unaudited)	December 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 44,896	$ 50,179
Marketable securities	5,013	
Accounts receivable - net of allowances of $421 and $257	2,974	2,072
Due from factor - net of allowances of $1,658 and $1,387	33,799	22,783
Inventories	24,827	15,818
Prepaid expenses and other current assets	839	836
Prepaid taxes		7,911
Deferred taxes	1,223	1,223
Total current assets	113,571	100,822
Marketable securities	9,650	
Property and equipment, net	16,020	15,707
Deferred taxes	3,019	3,019
Deposits and other	297	248
Cost in excess of fair value of net assets acquired	2,066	2,066
	$ 144,623	$ 121,862
LIABILITIES		
Current liabilities:		
Current portion of lease payable	$ 16	$ 43
Accounts payable	8,740	6,836
Accrued expenses	8,570	10,898
Accrued bonuses	2,328	412
Total current liabilities	19,654	18,189
Deferred rent	1,483	1,299
Lease payable, less current portion		14
	21,137	19,502
Contingencies (Note F)		
STOCKHOLDERS' EQUITY		
Common stock - $.0001 par value, 60,000 shares authorized, 12,717 and 12,194 outstanding	1	1
Additional paid-in capital	68,771	60,643
Retained earnings	66,504	50,881
Other comprehensive loss:		
Unrealized loss on marketable securities	(51)	
Unearned compensation	(3,748)	(1,174)
Treasury stock at cost - 1,245 shares	(7,991)	(7,991)
	123,486	102,360
	$ 144,623	$ 121,862

See notes to financial statements

STEVEN MADDEN, LTD. AND SUBSIDIARIES

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Net sales:				
Wholesale	$ 70,742	$ 50,260	$184,319	$128,057
Retail	22,276	19,985	63,421	55,146
	93,018	70,245	247,740	183,203
Cost of sales:				
Wholesale	46,403	31,784	122,539	81,752
Retail	10,360	8,733	29,421	24,324
	56,763	40,517	151,960	106,076
Gross profit	36,255	29,728	95,780	77,127
Commission and licensing fee income	1,819	1,637	4,637	4,006
Operating expenses	27,572	22,378	74,106	59,019
Income from operations	10,502	8,987	26,311	22,114
Interest and other income, net	348	265	770	1,108
Income before provision for income taxes	10,850	9,252	27,081	23,222
Provision for income taxes	4,582	3,885	11,458	9,782
Net income	$ 6,268	$ 5,367	$ 15,623	$ 13,440
Basic income per share	$ .49	$ .46	$ 1.25	$ 1.17
Diluted income per share	$ .46	$ .41	$ 1.14	$ 1.04
Weighted average common shares outstanding - Basic	12,706	11,774	12,544	11,479
Effect of dilutive securities - options	1,057	1,392	1,134	1,426
Weighted average common shares outstanding - Diluted	13,763	13,166	13,678	12,905

See notes to financial statements

STEVEN MADDEN, LTD. AND SUBSIDIARIES

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

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
Cash flows from operating activities:		
Net income	$ 15,623	$ 13,440
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	2,624	2,584
Noncash compensation	1,617	1,315
Provision for bad debts	435	(51)
Deferred rent expense	184	151
Gain on sale of marketable securities	(37)	
Changes in:		
Accounts receivable	(1,066)	1,170
Due from factor	(11,287)	(17,028)
Inventories	(9,009)	(5,965)
Prepaid expenses and other assets	7,860	447
Accounts payable and accrued expenses	1,491	(3,179)
Net cash provided by (used in) operating activities	8,435	(7,116)
Cash flows from investing activities:		
Purchase of property and equipment	(2,937)	(2,251)
Purchases of marketable securities	(16,718)	
Redemption of marketable securities	2,041	
Net cash used in investing activities	(17,614)	(2,251)
Cash flows from financing activities:		
Proceeds from options exercised	3,937	5,927
Repayments of lease obligations	(41)	(92)
Net cash provided by financing activities	3,896	5,835
Net decrease in cash and cash equivalents	(5,283)	(3,532)
Cash and cash equivalents - beginning of year	50,179	35,259
Cash and cash equivalents - end of year	$ 44,896	$ 31,727

See notes to financial statements

Notes to Financial Statements
September 30, 2002

NOTE A - BASIS OF REPORTING

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the financial position of Steven Madden, Ltd. and subsidiaries (the "Company") as of September 30, 2002, and the results of their operations and cash flows for the nine and three-month periods then ended. The results of operations for the nine and three-month periods ended September 30, 2002 are not necessarily indicative of the operating results for the full year. It is suggested that these financial statements be read in conjunction with the financial statements and related disclosures for the year ended December 31, 2001 included in the Annual Report of Steven Madden, Ltd. on Form 10-K.

NOTE B - MARKETABLE SECURITIES

Marketable securities consist primarily of corporate bonds which have strong credit ratings and maturities greater than three months and up to 5 years at the time of purchase. These securities, which are classified as available-for-sale, are carried at fair value, with unrealized gains and losses, net of any tax effect, reported in shareholders' equity as accumulated other comprehensive income (loss). Amortization of premiums and discounts are included in interest income and are not material. The values of these securities may fluctuate as a result of changes in market interest rates and credit risk.

NOTE C - INVENTORIES

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

NOTE D - REVENUE RECOGNITION

Wholesale revenue, including commissions received in conjunction with private label footwear, is recognized upon shipment and transfer of title of products to customers. Allowances for estimated discounts and returns are recognized when sales are recorded. Retail sales are recognized when the payment is received from customers and are recorded net of returns. Licensing revenue is recognized on the basis of net sales reported by the licensee.

NOTE E - NET INCOME PER SHARE OF COMMON STOCK

Basic income per share is based on the weighted average number of common shares outstanding during the year. Diluted income per share reflects the potential dilution assuming common shares were issued upon the exercise of outstanding options and the proceeds thereof were used to purchase outstanding common shares. Diluted income per share also reflects the vested portion of shares granted to employees which have not yet been issued.

NOTE F - PENDING LITIGATION

[1] Indictment:

On June 20, 2000, Steven Madden, the Company's former Chairman and Chief Executive Officer, was indicted in the United States District Courts for the Southern District and Eastern District of New York. The indictments alleged that Mr. Madden engaged in securities fraud and money laundering activities. In addition, the Securities and Exchange Commission filed a complaint in the United States District Court for the Eastern District of New York alleging that Mr. Madden violated Section 17(a) of the Securities Exchange Act of 1934, as amended. On May 21, 2001, Steven Madden entered into a plea agreement with the U.S. Attorney's Office, pursuant to which he pled guilty to four of the federal charges filed against him. In addition, Mr. Madden reached a separate settlement agreement with the Securities and Exchange Commission regarding the allegations contained in its complaint. As a result, Mr. Madden resigned as the Company's Chief Executive Officer and as a member of the Company's Board of Directors effective July 1, 2001. Mr. Madden has agreed to serve as the Company's Creative and Design Chief, a non-executive position. On April 4, 2002 Mr. Madden was sentenced in the United States District Court for the Southern District of New York to forty one (41) months imprisonment in connection with two of the federal charges to which he pled guilty. On May 3, 2002, Mr. Madden was sentenced in the United States District Court for the Eastern District of New York to forty one (41) months imprisonment in connection with the remaining two charges to which he pled guilty. The sentences will run concurrently. Under the settlement agreement with the Securities and Exchange Commission, Mr. Madden has agreed to not serve as an officer or director of a publicly traded company for 7 years. Neither the indictments nor the Securities and Exchange Commission complaint allege any wrongdoing by the Company or its other officers and directors. Mr. Madden began serving his sentence in September of 2002.

In December 2001, the Company purchased a loss mitigation policy to cover costs arising out of lawsuits related to the June 2000 federal indictment of Steve Madden, the Company's former Chief Executive Officer. The policy covers the Company's anticipated damages and legal costs in connection with such lawsuits. The Company is obligated to pay for damages and costs in excess of the policy limits. The cost of the policy was $6,950,000.

[2] Class action litigation:

Between June and August 2000 several class action lawsuits were commenced in the United States District Court for the Eastern District of New York against the Company, Steven Madden personally, and, in some of the actions, the Company's then President and its Chief Financial Officer.

A settlement in principle of these actions has been reached, subject to execution of definitive settlement documentation notices to class members, a hearing and approval by the District Court. The tentative settlement is within the limits of insurance coverage described above.

[3] Shareholder derivative actions:

On or about September 26, 2000, a putative shareholder derivative action was commenced in the United States District Court for the Eastern District of New York, captioned, Herrera v. Steven Madden and Steven Madden, Ltd., 00 CV 5803 (JC). The Company is named as a nominal defendant in the action. An agreement in principle has been reached to resolve all claims in this action, subject to execution of definitive documentation, such notice to the Company's shareholders (if any) as may be required by the District Court, and approval by the District Court. The Company believes, after consultation with counsel, that its defense costs and certain attorneys fees in connection with this action will be subject to coverage by the Company's insurance as supplemented by the loss mitigation policy described above.

NOTE F - PENDING LITIGATION (CONTINUED)

[3] Shareholder derivative actions:

On or about November 28, 2001, a purported shareholder derivative complaint was filed in the United States District Court for the Eastern District of New York, captioned Herrera v. Karson, et al., 00 CV 7868. Named as defendants therein are the Company (as nominal defendant) and certain of the Company's present and/or former directors. An agreement in principle has been reached to resolve all claims in this action, subject to execution of definitive documentation, such notice to the Company's shareholders (if any) as may be required by the District Court, and approval by the District Court. The Company believes, after consultation with counsel, that its defense costs and certain attorneys fees in connection with this action will be subject to coverage by the Company's insurance as supplemented by the loss mitigation policy described above.

The Company and certain of the Company's present and/or former directors have been named in an action commenced in the United States District Court for the Eastern District of New York by the Safeco Surplus Lines Insurance Company captioned, Safeco Surplus Lines Ins. Co. v. Steven Madden Ltd., et al. The complaint principally seeks rescission of the excess insurance policy issued by Safeco to the Company for the February 4, 2000 to June 13, 2001 period and an order declaring that Safeco does not owe any indemnity obligation to the Company or any of its officers and directors in connection with the putative shareholder class action and derivative cases referred to above.

[4] SEC investigation:

In March 2001, the Company became aware that the SEC issued a formal order of investigation with respect to trading in the Company's securities. The SEC is investigating possible securities law violations. Certain current and former officers and directors of the Company sold shares of the Company's common stock prior to Mr. Madden's indictment in June 2000, as previously disclosed on Form 4's filed with the SEC. The ultimate effects of this matter if any, cannot reasonably be determined at this time.

[5] Other actions:

(a) On or about January 22, 2002, an action was commenced against the Company in the United States District Court for the District of Oregon, captioned Adidas America, Inc. and Adidas Salomon AG v. Steve Madden, Ltd. and Steve Madden Retail, Inc. The Complaint seeks injunctive relief and unspecified monetary damages for trademark infringement, trademark dilution, unfair competition and deceptive trade practices arising from the Company's use of four stripes as a design element on footwear. On or about September 3, 2002, Adidas commenced a second action against the Company in the United States District Court for the District of Oregon, captioned Adidas America, Inc. and Adidas Salomon AG v. Steve Madden, Ltd. and Steve Madden Retail, Inc. The second Complaint seeks the same injunctive relief and unspecified monetary damages for various trademark infringement claims arising from the Company's use of two stripes as a design element on footwear. The Company believes it has substantial defenses to the claims asserted in both lawsuits and has filed answers denying the allegations of infringement in both cases. The Company is seeking to have both cases consolidated before a single judge. The ultimate outcome of this matter cannot be presently determined.

(b) On October 4, 2002, Skechers U.S.A., Inc. and Skechers U.S.A., Inc. II, filed suit against Steven Madden Ltd. and R.S.V. Sport, Inc. in the United States District Court for the Central District of California. Skechers alleges claims for patent infringement, federal unfair competition, federal antidilution violation, California unfair competition, California antidilution violation, and common law unfair competition. Skechers seeks unspecified monetary damages. The Company has not yet answered or otherwise responded to the complaint, but believes that it has substantial defenses to the claims asserted in the lawsuit. The ultimate outcome of this matter cannot presently be determined.

NOTE F - PENDING LITIGATION (CONTINUED)

[5] Other actions: (continued)

(c) On September 6, 2002, Ron Owen filed an action against Steven Madden Retail, Inc., which action is pending in the United States District Court for the Northern District of Texas - Dallas Division. Plaintiff alleges a cause of action for breach of contract and seeks unspecified monetary damages. On October 10, 2002, the Company answered the complaint. The Company believes that it has substantial defenses to the claims asserted in the lawsuit. The ultimate outcome of this matter cannot presently be determined.

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

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

Statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this document as well as statements made in press releases and oral statements that may be made by the Company or by officers, directors or employees of the Company acting on the Company's behalf that are not statements of historical or current fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other unknown factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "believes", "belief", "expects", "intends", "anticipates" or "plans" to be uncertain forward-looking statements. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission.

The following table sets forth information on operations for the periods indicated:

Percentage of Net Sales
Nine Months Ended
September 30
($ in thousands)

Consolidated:	2002		2001	
Net Sales	$247,740	100%	$183,203	100%
Cost of Sales	151,960	61	106,076	58
Gross Profit	95,780	39	77,127	42
Other Operating Income	4,637	2	4,006	2
Operating Expenses	74,106	30	59,019	32
Income from Operations	26,311	11	22,114	12
Interest and Other Income Net	770	0	1,108	1
Income Before Income Taxes	27,081	11	23,222	13
Net Income	15,623	6	13,440	7

Percentage of Net Sales

Nine Months Ended

September 30

($ in thousands)

By Segment	2002		2001	
WHOLESALE DIVISIONS:				
Steven Madden, Ltd.				
(Women's Wholesale)				
Net Sales	$ 87,539	100%	$ 75,638	100%
Cost of Sales	59,954	68	48,120	64
Gross Profit	27,585	32	27,518	36
Other Operating Income	1,207	1	939	1
Operating Expenses	21,557	25	19,730	26
Income from Operations	7,235	8	8,727	11
l.e.i. Footwear:				
Net Sales	$ 41,824	100%	$ 31,999	100%
Cost of sales	26,648	64	20,111	63
Gross Profit	15,176	36	11,888	37
Operating Expenses	10,304	24	7,020	22
Income from Operations	4,872	12	4,868	15
Madden Mens:				
Net Sales	$ 35,462	100%	$ 6,017	100%
Cost of sales	22,796	64	$ 3,857	64
Gross Profit	12,666	36	2,160	36
Operating Expenses	7,441	21	2,149	36
Income (Loss) from Operations	5,225	15	11	0
Diva Acquisition Corp:				
Net Sales	$ 8,572	100%	$ 6,015	100%
Cost of sales	6,230	73	4,370	73
Gross Profit	2,342	27	1,645	27
Operating Expenses	1,946	23	1,299	21
Income from Operations	396	4	346	6
Stevies Inc.:				
Net Sales	$ 10,922	100%	$ 8,388	100%
Cost of sales	6,911	63	5,294	63
Gross Profit	4,011	37	3,094	37
Other Operating Income	71	0	236	3
Operating Expenses	2,431	22	1,916	23
Income from Operations	1,651	15	1,414	17
STEVEN MADDEN RETAIL INC.:				
Net Sales	$ 63,421	100%	$ 55,146	100%
Cost of Sales	29,421	46	24,324	44
Gross Profit	34,000	54	30,822	56
Operating Expenses	28,720	45	25,472	46
Income from Operations	5,280	9	5,350	10

Percentage of Net Sales

Nine Months Ended

September 30

($ in thousands)

By Segment (Continued)

ADESSO MADDEN INC.: (FIRST COST)	2002		2001	
Other Operating Revenue	$ 3,359	100%	$ 2,831	100%
Operating Expenses	1,707	51	1,433	51
Income from Operations	1,652	49	1,398	49

Percentage of Net Sales

Three Months Ended

September 30

($ in thousands)

	2002		2001	
Consolidated:				
Net Sales	$ 93,018	100%	$ 70,245	100%
Cost of Sales	56,763	61	40,517	58
Gross Profit	36,255	39	29,728	42
Other Operating Income	1,819	2	1,637	2
Operating Expenses	27,572	30	22,378	31
Income from Operations	10,502	11	8,987	13
Interest and Other Income Net	348	0	265	0
Income Before Income Taxes	10,850	11	9,252	13
Net Income	6,268	7	5,367	8

By Segment:

WHOLESALE DIVISIONS:

Steven Madden, Ltd.				
(Women's Wholesale)				
Net Sales	$ 33,326	100%	$ 27,954	100%
Cost of sales	22,168	67	17,925	64
Gross Profit	11,158	33	10,029	36
Other Operating Income	547	2	407	1
Operating Expenses	8,207	25	7,479	27
Income from Operations	3,498	10	2,957	10
l.e.i. Footwear:				
Net Sales	$ 15,267	100%	$ 13,198	100%
Cost of sales	9,416	62	8,047	61
Gross Profit	5,851	38	5,151	39
Operating Expenses	3,860	25	2,811	21
Income from Operations	1,991	13	2,340	18
Madden Mens:				
Net Sales	$ 14,848	100%	$ 3,227	100%
Cost of sales	9,559	64	2,019	63
Gross Profit	5,289	36	1,208	37
Operating Expenses	3,335	23	1,170	36
Income from Operations	1,954	13	38	1
Diva Acquisition Corp.:				
Net Sales	$ 3,387	100%	$ 2,385	100%
Cost of sales	2,763	82	1,603	67
Gross Profit	624	18	782	33
Operating Expenses	648	19	507	21
Income (Loss) from Operations	(24)	(1)	275	12
Stevies Inc.:				
Net Sales	$ 3,914	100%	$ 3,496	100%
Cost of Sales	2,497	64	2,190	63
Gross Profit	1,417	36	1,306	37
Other Operating Income	33	`1	29	1
Operating Expenses	939	24	804	23
Income from Operations	511	13	531	15

Percentage of Net Sales

Three Months Ended

September 30

($ in thousands)

By Segment (Continued)

Steven Madden Retail Inc.:	2002		2001	
Net Sales	$ 22,276	100%	$ 19,985	100%
Cost of Sales	10,360	47	8,733	44
Gross Profit	11,916	53	11,252	56
Operating Expenses	10,008	45	9,014	45
Income from Operations	1,908	8	2,238	11

ADESSO MADDEN INC.:

(FIRST COST)

Other Operating Revenue	$ 1,239	100%	$ 1,201	100%
Operating Expenses	574	46	593	49
Income from Operations	665	54	608	51

RESULTS OF OPERATIONS
($ in thousands)
Nine Months Ended September 30, 2002 vs. Nine Months Ended September 30, 2001
Consolidated:

Sales for the nine-month period ended September 30, 2002 were $247,740 or 35% higher than the $183,203 in the comparable period of 2001. The increase in sales was partially due to a 489% increase in sales from the Madden Mens Wholesale Division ("Madden Mens Wholesale"), which commenced shipping in the first quarter of 2001 as well as double-digit percentage gains in our other divisions due to an increase in the Company's brand recognition.

Consolidated gross profit as a percentage of sales decreased from 42% in 2001 to 39% in 2002. The decrease was due to several factors including the fact that a "broad and shallow" assortment strategy was adopted at both wholesale and retail, wherein open to buy dollars were reserved for in-season performing product. In connection with this strategy, the Company produced more goods in the USA and Europe, which resulted in a higher cost of goods and increased airfreight expenses. Also contributing to the decrease in the Company's first nine months of 2002 gross margins was the mix change between wholesale and retail business. Retail, which has higher gross margin percentage, represented 26% of the total net sales in 2002 compared to 30% in 2001. Additionally, the Company took action earlier in 2002 than in 2001 to clear under-performing inventories at lower gross margins in both retail and wholesale.

Selling, general and administrative (SG&A) expenses increased to $74,106 in 2002 from $59,019 in 2001. The increase in SG&A expenses was partially due to a 23% increase in payroll, officers' and employee incentives and other payroll-related expenses from $22,589 in 2001 to $27,739 in 2002 due to growth in the business primarily from Madden Mens Wholesale. Also, the Company focused its efforts on advertising and marketing by increasing those expenses by 18% from $4,927 in 2001 to $5,790 in 2002. Additionally, selling, designing and licensing costs increased by 46% from $9,780 in 2001 to $14,266 in 2002. This was due in part to an increase in sales in the current period and to the Company's increased focus on selling, designing and licensing activities. The expansion of the Company's corporate office facilities resulted in an increase in occupancy, telephone, utilities and office related expenses by 21% from $9,695 in 2001 to $11,773 in 2002.

Income from operations for 2002 was $26,311, which represents an increase of $4,197 or 19% over the income from operations of $22,114 in 2001. Net income increased by 16% to $15,623 in 2002 from $13,440 in 2001.

Wholesale Divisions:
- -------------------

Sales from the Steve Madden Women's Wholesale Division ("Madden Women's Wholesale") accounted for $87,539 or 35%, and $75,638 or 41%, of total sales in 2002 and 2001, respectively. The increase in sales was driven by the sales of key styles including dress sandals, open-back euro casuals, pointy pumps and classic platform round toe boots. Gross profit as a percentage of sales decreased from 36% in 2001 to 32% in 2002. The decrease in gross profit was due to several factors. At wholesale, the Company took earlier action to clear slower moving styles to create open-to-buy for new best sellers and the Company took higher markdowns because of the general softness in the economy. Operating expenses increased to $21,557 in 2002 from $19,730 in 2001 due to increases in payroll and other payroll-related expenses. Additionally, selling and designing expenses increased due to an increase in sales in the current period. Income from operations for Madden Women's Wholesale was $7,235 in 2002 compared to income from operations of $8,727 in 2001.

Sales from l.e.i. Wholesale accounted for $41,824 or 17%, and $31,999 or 17%, of total sales in 2002 and 2001, respectively. The increase in sales was driven by the sales of key styles including, euro casual and log bottom casuals. The increase in sales was also driven by the addition of new accounts with retailers including The Bon Marche, Dayton Hudson, Stage Stores and Foot Action. Gross profit as a percentage of sales decreased from 37% in 2001 to 36% in 2002, due to an increase in the level of promotional activity in the first nine months of 2002. Operating expenses increased to $10,304 in 2002 from $7,020 in 2001 due to increases in payroll and other payroll-related expenses. Additionally, selling expenses increased due to an increase in sales in the current period. Income from operations for l.e.i. Wholesale stayed flat in 2002 compared to 2001.

Sales from Madden Mens Wholesale, which commenced shipping in the first quarter of 2001, accounted for $35,462 or 14%, and $6,017 or 3%, of total sales in 2002 and 2001, respectively. The sales increase resulted from a doubling in the number of Madden Mens doors and deeper penetration of Mens products through department store distribution channels. Sales were driven by key styles including euro casual and sport-active look. Gross profit as a percentage of sales remained the same in 2001 and 2002. Operating expenses increased to $7,441 in 2002 from $2,149 in 2001 due to increases in payroll and other payroll-related expenses due to growth in the business. Additionally, selling and designing expenses increased due to an increase in sales in the current period. Madden Mens Wholesale income from operations increased to $5,225 in 2002 compared to breakeven in 2001.

Sales from Diva Wholesale accounted for $8,572 or 3%, and $6,015 or 3%, of total sales in 2002 and 2001, respectively. The increase in sales was achieved partly through inclusion of sales of products from the newly introduced Steven brand (which is in its first quarter and has contributed revenue of $650) within the Diva Wholesale division. The increase in sales was also driven by the key styles including pointy toe dress shoes, sport active shoes, driving mocs and mid-heel dress shoes. Gross profit as a percentage of sales remained the same in 2001 and 2002. Operating expenses increased to $1,946 in 2002 from $1,299 in 2001 due to increases in payroll and other payroll-related expenses due to growth in the business. Additionally, selling and related expenses increased due to an increase in sales in the current period. Diva Wholesale income from operations increased to $396 in 2002 compared to income from operations of $346 in 2001.

Sales from Stevies Wholesale, accounted for $10,922 or 4%, and $8,388 or 5%, of total sales in 2002 and 2001, respectively. The increase in sales was driven by the addition of new accounts with retailers including Meldisco children's departments, Zutopia, and the Wet Seals' children division. This increase in sales was also due to the growth in accounts such as Limited Too, Journey's Kidz, Nordstrom and Filenes. Gross profit as a percentage of sales remained the same in 2001 and 2002. Operating expenses increased to $2,431 in 2002 from $1,916 in 2001 due to increases in payroll and other payroll-related expenses. Additionally, selling and related expenses increased due to an increase in sales in the current period. Stevies Wholesale income from operations increased to $1,651 in 2002 compared to income from operations of $1,414 in 2001.

Retail Division:

Sales from the Retail Division accounted for $63,421 or 26% and $55,146 or 30% of total sales in 2002 and 2001, respectively. This increase in sales was due to the increase in the number of Steve Madden retail stores as well as an increase in comparable store sales. During 2001 and 2002, the Company closed a total of four of its least productive stores. Since September 30, 2001 the Company opened eleven (11) new stores. As of September 30, 2002, there were 77 retail stores compared to 68 stores as of September 30, 2001. Comparable store sales for the nine-month period ended September 30, 2002 increased 6% over the same period of 2001. This increase was achieved through the early delivery of fresh products to the Company's stores and the prompt replenishment of inventory in season. This increase in sales was also driven by the increased demand for buy-now wear-now sandals due to the warmer weather in the east. Gross profit as a percentage of sales decreased from 56% in 2001 to 54% in 2002 due to greater promotional activity at retail this year. Operating expenses for the Retail Division increased to $28,720 or 45% of sales in 2002 from $25,472 or 46% of sales in 2001. This increase in dollars primarily resulted from the addition of new stores. Income from operations for the Retail Division was $5,280 in 2002 compared to income from operations of $5,350 in 2001.

Adesso-Madden Division:

Adesso-Madden, Inc. generated commission revenues of $3,359 for the nine-month period ended September 30, 2002, which represents a 19% increase over commission revenues of $2,831 during the same period in 2001. This increase was primarily due to the growth in accounts such as Wal-Mart, Target, JC Penney and Mervyn's and the addition of children's products to the assortment mix. Operating expenses increased to $1,707 in 2002 from $1,433 in 2001 due to increases in payroll and other payroll-related expenses. Income from operations for Adesso-Madden was $1,652 in 2002 compared to income from operations of $1,398 in 2001.

Three Months Ended September 30, 2002 vs. Three Months Ended September 30, 2001

Consolidated:

Sales for the three-month period ended September 30, 2002 were $93,018 or 32% higher than the $70,245 in the comparable period of 2001. The increase in sales was partially due to a 360% increase in sales from Madden Mens Wholesale as well as double-digit percentage gains in our other divisions due to an increase in the Company's brand recognition.

Consolidated gross profit as a percentage of sales decreased from 42% in 2001 to 39% in 2002. The decrease was due to several factors including the Company's decision to clear slower moving styles at wholesale earlier to create open-to-buy for the new best sellers, greater sales and advertising allowances and lower average selling prices at retail due to slower than planned boot sales. Also contributing to the decrease in the Company's third quarter of 2002 gross margins was the mix change between wholesale and retail business. Retail, which has higher gross margin percentage, represented 24% of the total net sales in 2002 compared to 28% in 2001.

Selling, general and administrative (SG&A) expenses increased to $27,572 in 2002 from $22,378 in 2001. The increase in SG&A expenses was partially due to a 17% increase in payroll, officers' and employee incentives and other payroll-related expenses from $8,311 in 2001 to $9,745 in 2002 due to growth in the business primarily from Madden Mens Wholesale. Also, the Company focused its efforts on advertising and marketing by increasing those expenses by 19% from $2,278 in 2001 to $2,720 in 2002. Additionally, selling, designing and licensing costs increased by 39% from $3,860 in 2001 to $5,376 in 2002. This was due in part to an increase in sales in the current period and to the Company's increased focus on selling, designing and licensing activities. The expansion of the Company's corporate office and warehouse facilities resulted in an increase in occupancy, telephone, utilities, warehouse, and office related expenses by 28% from $3,405 in 2001 to $4,349 in 2002.

Income from operations for 2002 was $10,502, which represents an increase of $1,515 or 17% over the income from operations of $8,987 in 2001. Net income increased by 17% to $6,268 in 2002 from $5,367 in 2001.

Wholesale Divisions:

Sales from Steve Madden Women's Wholesale accounted for $33,326 or 36%, and $27,954 or 40%, of total sales in 2002 and 2001, respectively. The increase in sales was driven by the sales of key styles including dress sandals, open-back euro casuals and pointy pumps. Gross profit as a percentage of sales decreased from 36% in 2001 to 33% in 2002. The decrease was due to several factors. At wholesale, the Company took earlier action to clear slower moving styles to create open-to-buy for new best sellers and the Company took higher markdowns because of the general softness in the economy. Operating expenses increased to $8,207 in 2002 from $7,479 in 2001 due to increases in payroll and other payroll-related expenses. Also, advertising and marketing expenses increased due to the Company's expanded marketing strategy. Additionally, selling and designing expenses increased due to an increase in sales in the current period. Madden Women's Wholesale income from operations increased to $3,498 in 2002 compared to income from operations of $2,957 in 2001.

Sales from l.e.i. Wholesale accounted for $15,267 or 16%, and $13,198 or 19%, of total sales in 2002 and 2001, respectively. The increase in sales was driven by the sales of key styles including euro casual and log bottom casuals. Gross profit as a percentage of sales decreased from 39% in 2001 to 38% in 2002, due to an increase in the level of promotional activity in the third quarter of 2002. Operating expenses increased to $3,860 in 2002 from $2,811 in 2001 due to increases in payroll and payroll-related expenses. Additionally, selling and designing expenses increased due to an increase in sales in the current period. Income from operations for l.e.i. Wholesale was $1,991 in 2002 compared to income from operations of $2,340 in 2001.

Sales from Madden Mens Wholesale accounted for $14,848 or 16%, and $3,227 or 5%, of total sales in 2002 and 2001, respectively. The sales increase resulted from a doubling in the number of Madden Mens doors and deeper penetration of Mens products through department store distribution channels. Sales were driven by key styles including euro casual and sport-active look. Gross profit as a percentage of sales decreased from 37% in 2001 to 36% in 2002 due to an increase in the level of promotional activity in the third quarter of 2002. Operating expenses increased to $3,335 in 2002 from $1,170 in 2001 due to increases in payroll and other payroll-related expenses due to growth in the business. Also, advertising and marketing expenses increased due to the Company's expanded marketing strategy. Additionally, selling and designing expenses increased due to an increase in sales in the current period. Income from operations for Madden Mens Wholesale was $1,954 in 2002 compared to breakeven in 2001.

Sales from Diva Wholesale accounted for $3,387 or 4%, and $2,385 or 3%, of total sales in 2002 and 2001, respectively. The increase in sales was achieved partly through inclusion of sales of products from the newly introduced Steven brand (which is in its first quarter and has contributed revenue of $650) within the Diva Wholesale division. The increase in sales was also driven by the key styles including mid-heel dress shoes. Gross profit as a percentage of sales decreased from 33% in 2001 to 18% in 2002 due to higher markdowns and allowances taken in third quarter of 2002. Operating expenses increased to $648 in 2002 from $507 in 2001 due to increases in payroll and other payroll-related expenses. Loss from operations for Diva Wholesale was $24 in 2002 compared to income from operations of $275 in 2001.

Sales from Stevies Wholesale accounted for $3,914 or 4%, and $3,496 or 5%, of total sales in 2002 and 2001, respectively. This increase in sales was due to the growth in accounts such as Limited Too, Journey's Kidz, Nordstrom and Filenes. Gross profit as a percentage of sales decreased from 37% in 2001 to 36% in 2002, due to an increase in the level of promotional activity in the third quarter of 2002. Operating expenses increased to $939 in 2002 from $804 in 2001. Income from operations for Stevies Wholesale was $511 in 2002 compared to income from operations of $531 in 2001.

Retail Division:
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Sales from the Retail Division accounted for $22,276 or 24% and $19,985 or 28% of total sales in 2002 and 2001, respectively. This increase in sales was due to the increase in the number of Steve Madden retail stores as well as an increase in comparable store sales. During 2001 and 2002, the Company closed a total of four of its least productive stores. Since September 30, 2001 the Company opened eleven (11) new stores. As of September 30, 2002, there were 77 retail stores compared to 68 stores as of September 30, 2001. Comparable store sales for the quarter ended September 30, 2002 increased 1% over the same period of 2001. This increase in sales was driven by the increased demand for buy-now wear-now sandals due to the warmer weather in the east. Gross profit as a percentage of sales decreased from 56% in 2001 to 53% in 2002, due to greater promotional activity at retail this quarter. Operating expenses for the Retail Division increased to $10,008 or 45% of sales in 2002 from $9,014 or 45% of sales in 2001.

This increase in dollars primarily resulted from the addition of new stores. Income from operations for the Retail Division was $1,908 in 2002 compared to income from operations of $2,238 in 2001.

Adesso-Madden Division:

Adesso-Madden, Inc. generated commission revenues of $1,239 for the three-month period ended September 30, 2002, which represents a 3% increase over commission revenues of $1,201 during the same period in 2001. This increase was primarily due to the growth in accounts such as Wal-Mart, Target, JC Penney and Mervyn's and the addition of children's products to the assortment mix. Operating expenses decreased to $574 in 2002 from $593 in 2001. Income from operations for Adesso-Madden was $665 in 2002 compared to income from operations of $608 in 2001.

LICENSE AGREEMENTS

Revenues from licensing increased to $1,278 in the first nine months of 2002 from $1,175 in 2001. As of September 30, 2002, the Company had six license partners covering six product categories for its Steve Madden brand. Also, as of September 30, 2002, the Company had two license partners covering two product categories for its Stevies brand. The product categories include handbags, hosiery, sunglasses, eyewear, belts and outerwear.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $93,917 at September 30, 2002 compared to $78,348 in working capital at September 30, 2001, representing an increase of $15,569, which was primarily due to the Company's net income and proceeds received from the exercise of options.

Under the terms of a factoring agreement with Capital Factors, Inc., the Company is permitted to draw down 80% of its invoiced receivables at an interest rate of two points below the Prime Rate (as defined in such agreement). The agreement with Capital Factors was renewed as of December 31, 2001 for an additional three-year term. Capital Factors maintains a lien on all of the Company's inventory and receivables and assumes the credit risk for all assigned accounts approved by it.

OPERATING ACTIVITIES

During the nine-month period ended September 30, 2002, cash provided for operating activities was $8,435. Uses of cash arose principally from an increase in factored accounts receivable of $11,287 and an increase in inventories of $9,009. Cash was provided principally by net income of $15,623 and a decrease in prepaid expenses and other assets of $7,860.

The Company leases office, showroom, warehouse and retail facilities under non-cancelable operating leases with terms expiring at various times through 2012. Future minimum annual lease payments under non-cancelable operating leases consist of the following at September 30:

2002	$ 7,699
2003	7,996
2004	7,857
2005	7,489
2006	7,485
Thereafter	22,573
	$ 61,099

The Company has employment agreements with four key executives and its Creative and Design Chief as of September 30, 2002 providing for aggregate annual salaries of approximately $1,765 subject to annual bonuses and annual increases as may be determined by the Company's Board of Directors. In addition, as part of four of the employment agreements, the Company is committed to pay incentive bonuses based on income before interest, depreciation and taxes.

A significant portion of the Company's products are supplied from foreign manufacturers, the majority of which are located in Brazil, China, Italy and Spain. Although the Company has not entered into any manufacturing contracts with any of these foreign companies, the Company believes that a sufficient number of alternative sources exist outside of the United States for the manufacture of its products if current suppliers need to be replaced. In addition, the Company currently makes approximately ninety-five percent (95%) of its purchases in U.S. dollars.

INVESTING ACTIVITIES

During the nine-month period ended September 30, 2002, the Company used cash of $16,718 primarily for the investments in marketable securities and $2,937 on leasehold improvements to its corporate office space.

FINANCING ACTIVITIES

During the nine-month period ended September 30, 2002, the Company received $3,937 in connection with the exercise of stock options.

OTHER CONSIDERATIONS

Fashion Industry Risks. The success of the Company will depend in significant part upon its ability to anticipate and respond to product and fashion trends as well as to anticipate, gauge and react to changing consumer demands in a timely manner. There can be no assurance that the Company's products will correspond to the changes in taste and demand or that the Company will be able to successfully market products which respond to such trends. If the Company misjudges the market for its products, it may be faced with significant excess inventories for some products and missed opportunities with others. In addition, misjudgments in merchandise selection could adversely affect the Company's image with its customers and weak sales and resulting markdown requests from customers could have a material adverse effect on the Company's business, financial condition and results of operations.

The industry in which the Company operates 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, financial condition and results of operations.

In recent years, the retail industry has experienced consolidation and other ownership changes. In addition, some of the Company's 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. While such changes in the retail industry to date 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.

Inventory Management. The fashion-oriented nature of the Company's industry and the rapid changes in customer preferences leave the Company vulnerable to an increased risk of inventory obsolescence. Thus, the Company's ability to manage its inventories properly is an important factor in its 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 retailers. 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.

Dependence Upon Customers and Risks Related to Extending Credit to Customers. The Company's customers 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 sales.

The Company believes that a substantial portion of sales of the Company's licensed products by its domestic 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 a significant customer of the Company, 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. Pursuant to the Factoring Agreement between Capital Factors and the Company, Capital Factors currently assumes the credit risk related to approximately 95% of the Company's accounts receivables. 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.

Impact of Foreign Manufacturers. Substantial 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 nine-month period September 30, 2002, approximately 80% of the Company's products were purchased from sources outside the United States, including China, Brazil, Italy 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 condition 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.

Possible Adverse Impact of Unaffiliated Manufacturers' Inability 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.

Intense Industry 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, Skechers, Nike and Guess, may 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.

Expansion of Retail Business. The Company's continued growth depends to a significant degree on further developing the Steve Madden(R), David Aaron(R), Stevies, Steven, Steve Madden Mens and l.e.i.(R) brands, creating new product categories and businesses and operating Company-owned stores on a profitable basis. During the nine month period ended September 30, 2002 the Company opened six (6) Steve Madden retail stores and has plans to open approximately two to four (2-4) Steve Madden retail stores in the fourth quarter of 2002. The Company's recent and planned expansion includes the opening of stores in new geographic markets as well as strengthening existing 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.

Seasonal and Quarterly Fluctuations. The Company's 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 and licensing businesses, the incurrence 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 that its sales and operating results may be significantly impacted by (i) the opening of new retail stores and (ii) 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.

Trademark and Service Mark Protection. The Company believes that its trademarks and 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 on the basis that they violate 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 effect on the Company's business, financial condition and results of operations.

Foreign Currency Fluctuations. 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 effect on the Company's business, financial condition and results of operations.

Outstanding Options. As of October 31, 2002, the Company had outstanding options to purchase an aggregate of approximately 2,399,000 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. Further, while its options are outstanding, they may adversely affect the terms in which the Company could obtain additional capital.

ITEM 4: CONTROLS AND PROCEDURES

Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures within 90 days of the filing date of this quarterly report, and, based on their evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Part II

ITEM 1. LEGAL PROCEEDINGS.

On or about January 22, 2002, an action was commenced against the Company in the United States District Court for the District of Oregon, captioned Adidas America, Inc. and Adidas Salomon AG v. Steve Madden, Ltd. and Steve Madden Retail, Inc., CA No. CV02-0057 HU. The Complaint seeks injunctive relief and unspecified monetary damages for trademark infringement, trademark dilution, unfair competition and deceptive trade practices arising from the Company's use of four stripes as a design element on footwear. On or about September 3, 2002, Adidas commenced a second action against the Company in the United States District Court for the District of Oregon, captioned Adidas America, Inc. and Adidas Salomon AG v. Steve Madden, Ltd. and Steve Madden Retail, Inc., CA No. CV 02-1191 KI. The second Complaint seeks the same injunctive relief and unspecified monetary damages for various trademark infringement claims arising from the Company's use of two stripes as a design element on footwear. The Company believes it has substantial defenses to the claims asserted in both lawsuits and has filed answers denying the allegations of infringement in both cases. The Company is seeking to have both cases consolidated before a single judge.

On October 4, 2002, Skechers U.S.A., Inc., and Skechers U.S.A., Inc. II, filed suit against Steven Madden Ltd. and R.S.V. Sport, Inc. in the United States District Court for the Central District of California, Case No. CV 02-0766. Skechers alleges claims for patent infringement, federal unfair competition, federal antidilution violation, California unfair competition, California antidilution violation, and common law unfair competition. Skechers seeks unspecified monetary damages. The Company has not yet answered or otherwise responded to the complaint, but believes that it has substantial defenses to the claims asserted in the lawsuit.

On September 6, 2002 Ron Owen filed an action against Steven Madden Retail, Inc., which action is pending in the United States District Court for the Northern District of Texas - Dallas Division, Civil Action No. 3-02 CV 2316-R. Plaintiff alleges a cause of action for breach of contract and seeks unspecified monetary damages. On October 10, 2002, the Company answered the complaint. The Company believes that it has substantial defenses to the claims asserted in the lawsuit.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

(10.15) Amendment No. 1 to Employment Agreement of Richard Olicker dated as of July 1, 2002.

(10.16) Amendment No. 2 to Employment Agreement of Arvind Dharia dated as of October 30, 2002.

(99.1) Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(99.2) Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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

DATE: November 14, 2002

STEVEN MADDEN, LTD.

/s/ JAMIESON A. KARSON

Jamieson A. Karson
Chief Executive Officer

/s/ ARVIND DHARIA

Arvind Dharia
Chief Financial Officer

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

I, Jamieson Karson, certify that:

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

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: November 14, 2002

By: /s/ JAMIESON KARSON

Jamieson Karson
Chief Executive Officer

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

I, Arvind Dharia, certify that:

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

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

   a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: November 14, 2002

By: /s/ ARVIND DHARIA

Arvind Dharia
Chief Financial Officer

STEVEN MADDEN, LTD.
FORM 10-Q

EXHIBIT INDEX

Exhibit No.	Description
10.15	Amendment No. 1 to Employment Agreement of Richard Olicker dated as of July 1, 2002
10.16	Amendment No. 2 to Employment Agreement of Arvind Dharia dated as of October 30, 2002
99.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

AMENDMENT NUMBER 1 TO EMPLOYMENT AGREEMENT

AMENDMENT NUMBER 1 TO EMPLOYMENT AGREEMENT, dated as of July 1, 2002 by and between STEVEN MADDEN, LTD., a Delaware corporation (the "Company"), and RICHARD OLICKER, an individual residing at 216 Bengeyfield Drive, East Williston, New York 11596 (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company and Executive entered into an Employment Agreement dated as of January 3, 2001 (the "Employment Agreement");

WHEREAS, the Company and the Executive both desire to modify certain provisions of the Employment Agreement;

WHEREAS, capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Employment Agreement.

NOW, THEREFORE, the parties mutually agree as follows:

1. Section 1 "Employment" of the Employment Agreement shall be deleted from the Employment Agreement and replaced with the following provision:

> Section 1. Employment. Effective immediately, the Company shall employ Executive and the Executive hereby accepts such employment, as the Company's President and Chief Operating Officer, subject to the terms and conditions set forth in this Agreement.

2. Section 2 "Duties; Exclusive Services; Best Efforts" of the Employment Agreement shall be deleted from the Employment Agreement and replaced with the following provision:

> Section 2. Duties; Exclusive Services; Best
>
> Efforts. The Executive shall perform all duties incident to the position of President and Chief Operating Officer as well as any other duties as may from time to time be assigned by the Chief Executive Officer, and agrees to abide by all By-laws, policies, practices, procedures or rules of the Company. The Executive agrees to devote his best efforts, energies and skill to the discharge of the duties and responsibilities attributable to his position, and to this end, he will devote his full business time and attention exclusively to the business and affairs of
>
> the Company. The Executive also agrees that he shall not take personal advantage of any business opportunities which arise during his employment and which may benefit the Company. All material facts regarding such opportunities must be promptly reported to the Board of Directors for consideration by the Company. Notwithstanding the foregoing, the Executive may donate his time and efforts to charitable causes so long as such endeavors do not effect his ability to perform his duties under this Agreement.

3. Section 3 "Term of Employment; Vacation" of the Employment Agreement shall be deleted from the Employment Agreement and replaced with the following provision:

> Section 3. Term of Employment; Vacation.
>
> (a) Unless extended in writing by both the Company and the Executive, the term of the Executive's employment shall be for a period commencing on July 1, 2002 and ending on January 1, 2005, subject to earlier termination by the parties pursuant to Section 5 and 6 hereof (the "Term").
>
> (b) The Executive shall be entitled to four (4) weeks vacation during each year of the Term.

4. Section 4.1 "Salary" of the Employment Agreement shall be deleted from the Employment Agreement and replaced with the following provision:

> 4.1 Salary. Effective July 1, 2002, the Company shall pay to Executive a base salary of Three Hundred Seventy Five Thousand dollars ($375,000) per annum, subject to increases in accordance with the terms of the next sentence of this Section 4.1,

less such deductions as shall be required to be withheld by applicable law and regulations. On each July 1st during the Term (commencing on July 1, 2003), the base salary shall be increased by ten percent (10%) of the then-current base salary; provided, however, that the Company shall not be required to increase the Executive's then-current base salary unless the Company earns a net income of at least $1 for the fiscal year immediately preceding the July 1st on which the increase to the Executive's then-current base salary shall be effective. Executive's base salary, as in effect at any time, is hereinafter referred to as the "Base Salary." The Base Salary 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.

5. Subsection (a) of Section 4.3 "Performance Bonuses" of the Employment Agreement shall be deleted from the Employment Agreement and replaced with the following provision:

4.3 Performance Bonuses.

(a) The Executive shall be entitled to receive a cash performance bonus for each year of service under the Term (though due and owing based on 2004 results following the expiration of the Term) based upon the Company's net earnings before the payment of interest expenses and taxes and deductions for depreciation ("EBIT-D") as reflected in the Company's annual report on Form 10-K (or its annual financial statements in the event that the Company no longer prepares annual reports on form 10-K). On or prior to April 15, 2003, 2004 and 2005, the Company shall pay to the Executive a cash performance bonus equal to four percent (4%) of the amount by which the aggregate EBIT-D for the fiscal year ending on the most recent December 31st exceeds EBIT-D for the fiscal year ending on the preceding December 31st (collectively the "Annual Cash Bonus"). The Annual Cash Bonus for the fiscal year ending December 31, 2004 shall be pro-rated for the period of the Executive's employment during that period. For example, if EBIT-D for the year ending December 31, 2001 equals $20,000,000, and EBIT-D for the year ending December 31, 2000 was $15,000,000, the Executive would be entitled to receive an Annual Cash Bonus equal to $100,000 ($20,000,000 - $15,000,000 - $5,000,000 x .02 = $100,000).

6. The following language shall be added to the end of subsection (c) of Section 4.3 of the Employment Agreement:

Notwithstanding anything to the contrary in this Agreement, in the event the Executive's employment under this Agreement is terminated for any reason other than (i) the Company terminating the Executive's employment for Cause or (ii) the Executive terminating his employment without Good Reason, the Executive shall receive a pro rata Option Bonus based on the performance of the Company for the full fiscal year in which the Executive's employment was terminated. Said pro rata Option Bonus shall be granted to the Executive on the June 30th immediately following the Termination Date and shall be fully vested and immediately exercisable by the Executive on the date of grant.

7. The following section shall be added as subsection (d) of Section 4.3 of the Employment Agreement:

(d) In addition to the foregoing compensation and benefits, (including but not limited to the Option Bonus described immediately above in Section 4.3(c)), on September 24, 2002 the Executive shall receive a grant of non-qualified stock options to purchase 75,000 shares of Common Stock, which options shall be exercisable at a price equal to the closing bid price of the Company's shares of Common Stock as reported by the Nasdaq Stock Market on the date of the Company's annual meeting immediately preceding the date of grant, and on or about the date of the Company's annual meeting for each year during the Term (beginning in 2003), the Executive shall receive an additional grant of non-qualified stock options to purchase 75,000 shares of Common Stock which shall be exercisable at a price equal to the closing bid price of the Company's shares of Common Stock on the date of grant as reported by the Nasdaq Stock Market (the "Additional Option Bonus"). The options comprising the Additional Option Bonus shall vest quarterly over a one (1) year period commencing on the applicable date of grant.

Notwithstanding anything to the contrary herein, in the event of a Change of Control or the termination of the Executive's employment under Section 5 or Section 6(b), (c) or (d)(i) prior to the vesting in full of the options granted to date to the Executive under Section 4.3(c) and (d) hereof, such options shall vest and become immediately exercisable as of the earlier of the date of the Change of Control or Termination Date.

8. The following section shall be added as subsection (e) of Section 4.3 of the Employment Agreement:

(e) In addition to the foregoing compensation and benefits, if the Executive is employed by the Company on January 1, 2005 (the "Stock Grant Date") the Company shall grant to the Executive on the Stock Grant Date 20,000 common shares of the Company (the "2005 Stock Grant"). The Company shall not place any restrictions on any of the shares granted to the Executive pursuant to the 2005 Stock Grant. Moreover, notwithstanding anything to the contrary herein, in the event of a Change of Control or the termination of the Executive's employment under Section 5 or Section 6(b), (c) or (d)(i) prior to the Stock Grant Date, the Company shall award to the Executive the 2005 Stock Grant as of the earlier of the date of the Change of Control or the Termination Date.

9. The following language shall be added as Section 4.6 of the Employment Agreement:

4.6 Amendment Number 1 Signing Bonus. Upon execution of this Agreement by the parties, the Company shall deliver to the Executive a signing bonus of One Hundred Thousand Dollars ($100,000.00).

10. Section 7(b) shall be deleted from the Employment Agreement and replaced with the following provision:

(b) Upon the termination of the Executive's employment (i) as a result of the Executive's death or Disability, or (ii) the termination of this Agreement by the Executive without Good Reason, 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 (x) the Unpaid Salary Amount and (y) the Expense Reimbursement Amount and (z) accrued and unpaid amounts owed to the Executive under Section 4.3 hereof through the Termination Date, including a pro-rata entitlement to such amounts equal to the awards to which the Executive would have been entitled for the applicable fiscal year pro-rated for the period of the Executive's employment during such fiscal year, including the grant of a vested, pro-rated portion of the stock options to which Executive would have been entitled under Sections 4.3(c) and (d) (collectively, the "Additional Payments").

11. Section 9(a)(i) shall be deleted from the Employment Agreement and replaced with the following provision:

(i) except as provided in Subsection (d) below, be engaged in the manufacturing, sourcing, sale, marketing or distribution of footwear products or provide technical assistance, advice or counseling regarding the footwear industry to or with Kenneth Cole Productions, Inc., Candie's, Inc., Sketchers U.S.A., Inc. or Jones Apparel Group, Inc. or any division, subsidiary or affiliate of any such entities (collectively, the "Footwear Companies") or transact business, either on his own behalf or as an officer, director, stockholder, partner, consultant, associate, employee, owner, agent, creditor, independent contractor, or co-venturer of any third party with any of the Footwear Companies; or

12. Section 9(e) shall be deleted from the Employment Agreement and replaced with the following provision:

(e) The term "Restricted Period," as used in this Section 9, shall mean the period of Executive's actual employment hereunder plus six (6) months after the date Executive's employment is terminated for any reason by Executive or the Company, provided, however, that in the event Executive's employment is terminated by the Company without Cause or this Agreement expires in accordance with its terms, the term "Restricted Period" shall only include the period of Executive's actual employment hereunder.

13. The following shall be added as Section 10.12 of the Employment Agreement:

10.12 Reasonableness of Covenants. Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 8 and 9 hereof. Executive agrees that said restraints are necessary for the reasonable and proper protection of the Company and its subsidiaries and affiliates, and that each and every one of the restraints is reasonable in respect to subject matter, length of time, geographic area and otherwise. Executive further acknowledges that, in the event any provision of Sections 8 and 9 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area, too great a range of activities or otherwise, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

14. All other provisions of the Employment Agreement shall remain in full force and effect.

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

STEVEN MADDEN, LTD.

By: /s/ JAMIESON A. KARSON

Name: Jamieson A. Karson
Title: Chief Executive Officer

/s/ RICHARD OLICKER

Richard Olicker

AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT

This Amendment No. 2 dated as of October 30, 2002 (this "Amendment") to that certain Employment Agreement, by and between Steven Madden, Ltd., a Delaware corporation (the "Company"), and Arvind Dharia (the "Executive"), as amended.

W I T N E S S E T H

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

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

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

A. Effective as of the date hereof, the Original Agreement is hereby amended as follows:

1. The following section shall be added as subsection (d) of Section 4.2 of the Original Agreement:

(d) In addition to all of the foregoing compensation and benefits, if the Executive is employed by the Company on December 31, 2005 (the "Stock Grant Date"), the Company shall grant to the Executive on the Stock Grant Date an additional 20,000 common shares of the Company (the "2005 Stock Grant"). The Company shall not place any restrictions on any of the shares granted to the Executive pursuant to the 2005 Stock Grant. Moreover, notwithstanding anything to the contrary herein, in the event of a Change of Control or the termination of the Executive's employment for any reason (other than For Cause or the Executive's resignation) under Section 5 or Section 6 prior to the Stock Grant Date, the Company shall award to the Executive the 2005 Stock Grant as of the earlier of the date of the Change of Control or the date of the termination of his employment.

2. Section 5.5 (a) shall be deleted in its entirety and in lieu thereof the following paragraph shall be inserted:

"Section 5.5 Change of Control

(a) If a Change of Control (as defined below) occurs without the Executive's prior written consent, the Executive shall have the right to terminate this Agreement. At least ten (10) days prior to any such proposed Change of Control, the Company shall notify Executive of its intention to effect such Change of Control ("Notice of Change of Control"), and the Executive shall thereupon have five (5) days from the actual receipt of such notice to give notice of his intention to terminate this Agreement in the event of the Change in Control. If Executive shall give notice of his intention to terminate this Agreement in the event of the Change in Control, this Agreement shall be deemed terminated as of the effective date of the event constituting the Change of Control and the Executive shall receive in cash, within ten (10) days of termination, an amount equal to three (3) times the total compensation received by the Executive pursuant to Sections 4.1, 4.2(b), 4.2(c) and 4.4 of this Agreement for the preceding twelve (12) month period ending on the last previous December 31 except that in lieu of the actual Base Salary component received during such period under Section 4.1 of this Agreement, there shall be substituted the annual Base Salary to which the Executive was entitled as of the date of the giving of the Notice of Change of Control."

3. Section 5.5(b) shall be deleted in its entirety.

B. As hereinabove modified, all of the terms and provisions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 as of the date first set forth above.

Steve Madden, Ltd.

By: /s/ JAMIESON KARSON

Jamieson Karson
Chief Executive Officer

/s/ ARVIND DHARIA

Arvind Dharia

Exhibit 99.1

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

In connection with the Quarterly Report of Steven Madden, Ltd. (the "Company") on Form 10-Q for the quarter ending September 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jamieson A. Karson, Chief Executive Officer of the Company, certify, pursuant to Section 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

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

/S/ JAMIESON A. KARSON
- ----------------------
Jamieson A. Karson
Chief Executive Officer
November 14, 2002

Exhibit 99.2

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

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

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

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

/S/ ARVIND DHARIA
- -----------------
Arvind Dharia
Chief Financial Officer
November 14, 2002