

STEVEN MADDEN, LTD.  
Form PRE 14A  
March 25, 2013

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
SCHEDULE 14A  
(RULE 14A-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE  
SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO. \_\_)**

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Steven Madden, Ltd.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

**PRELIMINARY COPY – SUBJECT TO COMPLETION**

**STEVEN MADDEN, LTD.**  
**52-16 Barnett Avenue**  
**Long Island City, New York 11104**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 24, 2013**

TO THE STOCKHOLDERS OF STEVEN MADDEN, LTD.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the “Annual Meeting”) of Steven Madden, Ltd. (the “Company”) will be held on May 24, 2013, at the Company’s showroom located at 1370 Avenue of the Americas, 14th Floor, New York, New York at 10:00 a.m., local time, for the purposes stated below:

1. to elect six directors to the Board of Directors of the Company to serve until the next annual meeting of the Company’s stockholders and until their successors are duly elected and qualified or until their earlier death, resignation or removal from office;
2. to approve an amendment to the Company’s Certificate of Incorporation to increase the total number of authorized shares of the Company’s common stock, \$0.0001 par value, from 60,000,000 shares to 135,000,000 shares;
3. to ratify the appointment of EisnerAmper LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2013;
4. to approve, on a non-binding advisory basis, the compensation of certain executive officers as disclosed in the accompanying proxy statement; and
5. to transact such other business as may properly come before the Annual Meeting or any adjournments thereof. Only those stockholders of record at the close of business on April 3, 2013 are entitled to notice of and to vote at the Annual Meeting and any adjournments thereof. A complete list of stockholders entitled to vote at the Annual Meeting will be available for ten days prior to the Annual Meeting for purposes germane to the Annual Meeting, between the hours of 9:00 a.m. and 4:30 p.m., local time, at the Company’s principal executive offices at 52-16 Barnett Avenue, Long Island City, New York 11104, by contacting the Secretary of the Company, and will be available at the Annual Meeting.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 24, 2013: THE NOTICE OF ANNUAL MEETING AND PROXY STATEMENT, ANNUAL REPORT, ELECTRONIC PROXY CARD AND ANY OTHER MATERIALS CONCERNING THE ANNUAL MEETING, TOGETHER WITH ANY**

**AMENDMENTS TO ANY OF THESE MATERIALS, ARE AVAILABLE ON THE INTERNET AT  
WWW.PROXYVOTE.COM.**

BY ORDER OF THE BOARD OF DIRECTORS

April [10], 2012  
Long Island City, New York

Arvind Dharia  
Secretary

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE ANNUAL MEETING, PLEASE MARK, DATE AND SIGN THE ACCOMPANYING FORM OF PROXY AND MAIL IT PROMPTLY IN THE ENVELOPE PROVIDED TO: VOTE PROCESSING, C/O BROADRIDGE, 51 MERCEDES WAY, EDGEWOOD, NEW YORK 11717. ALTERNATIVELY, YOU MAY VOTE YOUR SHARES BY TELEPHONE OR THROUGH THE INTERNET AS DESCRIBED ON THE ACCOMPANYING PROXY CARD.

**TABLE OF CONTENTS**

<u>GENERAL INFORMATION</u>	1
<u>Notice of Internet Availability of Proxy Materials</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING</u>	2
<u>STOCKHOLDER NOMINATIONS FOR BOARD MEMBERSHIP, PROPOSALS AND SUBMISSIONS FOR THE COMPANY'S 2014 ANNUAL MEETING</u>	5
<u>PROPOSAL ONE: ELECTION OF DIRECTORS</u>	6
<u>Biographical Summaries of Nominees for the Board of Directors</u>	6
<u>CORPORATE GOVERNANCE</u>	9
<u>The Board of Directors</u>	9
<u>Director Independence</u>	9
<u>Director Attendance at Meetings</u>	9
<u>Director Election (Majority Voting) Policy</u>	9
<u>Committees of the Board</u>	10
<u>Board Leadership Structure, Risk Oversight, Executive Sessions of Non-Employee Directors, and Communications Between Stockholders and the Board</u>	12
<u>Code of Business Conduct and Ethics</u>	14
<u>Certain Relationships and Related Party Transactions</u>	14
<u>Review, Approval or Ratification of Transactions with Related Persons</u>	16
<u>COMPENSATION OF DIRECTORS IN THE 2012 FISCAL YEAR</u>	17
<u>STOCK OWNERSHIP</u>	18
<u>Security Ownership of Certain Beneficial Owners</u>	18
<u>Security Ownership of Directors and Executive Officers</u>	19
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	20
<u>EXECUTIVE COMPENSATION</u>	21
<u>Compensation Discussion and Analysis</u>	21
<u>Compensation Committee Interlocks and Insider Participation</u>	28
<u>Executive Officers</u>	28
<u>SUMMARY COMPENSATION TABLE</u>	29
<u>Employment Arrangements</u>	30
<u>GRANTS OF PLAN-BASED AWARDS IN THE 2012 FISCAL YEAR</u>	35
<u>OUTSTANDING EQUITY AWARDS AT END OF THE 2012 FISCAL YEAR</u>	37
<u>OPTION EXERCISES AND STOCK VESTED IN THE 2012 FISCAL YEAR</u>	38
<u>SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS</u>	39
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	39
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL</u>	40
<u>COMPENSATION COMMITTEE REPORT</u>	42
<u>PROPOSAL TWO: AMENDMENT OF CERTIFICATE OF INCORPORATION TO INCREASE AUTHORIZED SHARES</u>	42
<u>PROPOSAL THREE: RATIFICATION OF THE APPOINTMENT OF EISNERAMPER LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2013</u>	44
<u>AUDIT COMMITTEE REPORT</u>	47
<u>PROPOSAL FOUR: NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	48

**PRELIMINARY COPY – SUBJECT TO COMPLETION**

**STEVEN MADDEN, LTD.**

**52-16 Barnett Avenue**

**Long Island City, New York 11104**

**PROXY STATEMENT**

**GENERAL INFORMATION**

On behalf of the Board of Directors of Steven Madden, Ltd., a Delaware corporation (the “Company”, “we” or “us”), we are requesting your proxy in connection with the Annual Meeting of Stockholders (the “Annual Meeting”) scheduled to be held at the Company’s showroom located at 1370 Avenue of the Americas, 14th Floor, New York, New York on Friday, May 24, 2013 at 10:00 a.m., local time. On or about April [11], 2013, a notice containing instructions on how to access this Proxy Statement, the accompanying proxy card and related materials online is being mailed to holders of record of common stock, \$.0001 par value, of the Company (the “Common Stock”) at the close of business on April 3, 2013 (the “Record Date”). The Company’s Annual Report for the fiscal year ended December 31, 2012 (“2012 Fiscal Year”), including audited financial statements, is included in the materials that are accessible online to our stockholders. This Proxy Statement contains information about the Annual Meeting as well as information regarding the voting process, director elections, our corporate governance programs and executive and director compensation, among other things. We recommend that you read all of these materials.

The Annual Meeting has been called to consider and take action on the following proposals:

to elect six directors to the Board of Directors of the Company to serve until the next annual meeting of the Company’s stockholders and until their successors are duly elected and qualified or until their earlier death, resignation or removal from office;

to amend the Company’s Certificate of Incorporation to increase the total number of shares of Common Stock that the Company is authorized to issue from 60,000,000 shares to 135,000,000 shares;

to ratify the appointment of EisnerAmper LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2013;

to approve, on a non-binding advisory basis, the compensation of certain executive officers as disclosed in this Proxy Statement; and

to transact such other business as may properly come before the Annual Meeting and any adjournments thereof.

The Board of Directors knows of no other matters to be presented for action at the Annual Meeting. However, if any other matters properly come before the Annual Meeting, the persons named in the proxy will vote on such other matters and/or for other nominees in accordance with their best judgment. The Company's Board of Directors recommends that the stockholders vote "FOR" each of the proposals. Only holders of record of Common Stock of the Company at the close of business on the Record Date will be entitled to vote at the Annual Meeting.

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

#### **Notice of Internet Availability of Proxy Materials**

We continue to take advantage of the Securities and Exchange Commission (the "SEC") "e-proxy" rules allowing us to furnish proxy materials through the Internet for the benefit and convenience of our stockholders. By using the e-proxy rules, we can expedite the receipt by stockholders of this Proxy Statement and our Annual Report while lowering the costs and reducing the environmental impact associated with our Annual Meeting. On or about April [11], 2013, we will furnish a Notice of Internet Availability of Proxy Material (the "Availability Notice") to most of our stockholders containing instructions on how to access the proxy materials and to vote online. In addition, our instructions on how to request a printed copy of these materials will be found on the Availability Notice. For more information on voting your Common Stock, please see the "Questions and Answers" section below. If you received an Availability Notice by mail, you will not receive a paper copy of the proxy materials unless you request such materials by following the instructions contained in the Availability Notice.

## QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

### Who may vote at the Annual Meeting?

Only stockholders of record are entitled to vote at the Annual Meeting. A stockholder of record is a stockholder as of the close of business on the Record Date. On the Record Date, there were [46,475,175] shares of our Common Stock outstanding (excluding treasury shares) held by approximately [113] registered holders of record and [31,173] beneficial owners.

### What is considered a quorum to conduct the Annual Meeting?

The presence, in person or by proxy, of the holders of a majority of the shares eligible to vote is necessary to constitute a quorum for the purpose of transacting business at the Annual Meeting. Under Delaware law (under which the Company is incorporated), abstentions and broker non-votes (meaning proxies from brokers or nominees indicating that such persons have not received instructions on how to vote from the beneficial owner or other persons eligible to vote shares as to matters with respect to which the brokers or nominees do not have discretionary power to vote) are counted as present for purposes of determining the presence or absence of a quorum for the transaction of business. If a quorum is not present, the Annual Meeting may be adjourned until a quorum is obtained.

### What is a “broker non-vote”?

If your shares are held in “street name” by a broker, bank or nominee, your broker, bank or nominee is the record holder; however, the broker, bank or nominee is required to vote the shares in accordance with your instructions. If you do not give instructions to your broker, bank or nominee, as the case may be, the broker, bank or nominee may, if permitted by the organizations of which it is a member, exercise discretionary voting power to vote your shares. A “broker non-vote” occurs when a broker, bank or nominee of record holding shares for a beneficial owner has not received voting instructions from the beneficial owner and either chooses not to vote the shares on a particular proposal as to which the holder has discretionary voting power or does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item. Broker non-votes are considered present in determining whether a quorum is present. **If you hold your shares in “street name,” we strongly encourage you to provide instructions regarding the voting of your shares as your broker or nominee cannot vote your shares with respect to certain of the proposals being presented at the Annual Meeting without voting instructions from you.**

### How many votes do I have?

For each share of Common Stock that you own on the Record Date you are entitled to one vote on each matter presented at the Annual Meeting.

### How many votes are required to approve each proposal and what is the effect of abstentions and broker non-votes?

*Proposal One (Election of Directors):* Under Delaware law, directors are elected by the affirmative vote of a plurality of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote. This means that the director nominees who receive the greatest number of affirmative votes cast are elected as directors, subject to our director resignation policy discussed in Proposal One below.

*Proposal Two (Amendment of Certificate of Incorporation to Increase Authorized Shares):* The affirmative vote of a majority of the shares of Common Stock outstanding and entitled to vote at the Annual Meeting is required to approve the proposal to amend the Company’s Certificate of Incorporation to increase the total number of shares of Common Stock that the Company is authorized to issue.





*Proposal Three (Ratification of Appointment of EisnerAmper LLP):* The affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote is required to approve the ratification of the appointment of EisnerAmper LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2013.

*Proposal Four (Non-Binding Advisory Vote On Executive Compensation):* The affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote is required to approve, on a non-binding advisory basis, the compensation of the Company's named executive officers as described in this Proxy Statement.

*Other Matters:* If any other matters are presented at the Annual Meeting, they must receive an affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote in order to be approved.

Abstentions will have no effect on the election of directors, but will be treated as present and entitled to vote on the remaining proposals and, therefore, abstentions will have the effect of votes "AGAINST" such proposals.

Proposal One (Election of Directors) will be decided by a plurality of the votes of the shares represented in person or by proxy. The approval of Proposal Two (Amendment of Certificate of Incorporation) requires a favorable vote of a majority of the outstanding shares. The approval of each of Proposals Three (Ratification of EisnerAmper LLP) and Four (Advisory Vote on Executive Compensation) requires a favorable vote of a majority of the shares present and entitled to vote on the applicable matter. As noted above, an abstention will have no effect on the election of directors but will have the same effect as a vote "AGAINST" each other proposal. Broker non-votes with respect to Proposals One, Three and Four will have no effect on the outcome of the vote with respect to that proposal; however, broker non-votes with respect to Proposal Two will have the effect of a vote "AGAINST" the proposal.

### **How can I vote my shares?**

Your vote is important. Your shares can be voted at the Annual Meeting only if you are present in person or represented by proxy. Even if you plan to attend the Annual Meeting, we urge you to authorize your proxy in advance. You may vote your shares by authorizing a proxy over the Internet or by telephone. In addition, if you received a paper copy of the proxy materials by mail, you can also submit a proxy by mail by following the instructions on the proxy card. Voting your shares by authorizing a proxy over the Internet, by telephone or by written proxy card will ensure your representation at the Annual Meeting regardless of whether you attend in person.

If you are the record holder of your shares, please authorize your proxy electronically by going to the <http://www.proxyvote.com> website or by calling the toll-free number listed below and on the proxy card. Please have your Proxy Statement or proxy card in hand when going online or calling. If you authorize your proxy via the Internet or by phone you do not need to return your proxy card. If you choose to authorize your proxy by mail, simply mark your proxy card and then date, sign and return it in the postage-paid envelope provided.

#### **VOTE BY INTERNET**

<http://www.proxyvote.com>

#### **VOTE BY PHONE**

1-800-690-6903

#### **VOTE BY MAIL**

Vote Processing, c/o Broadridge  
51 Mercedes Way  
Edgewood, New York 11717

Edgar Filing: STEVEN MADDEN, LTD. - Form PRE 14A

Use the Internet to transmit your voting instructions and for electronic delivery of information. Use any touch-tone telephone to transmit your voting instructions. If you receive paper proxy materials, mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to the address shown above.

If you hold your shares beneficially in “street name” through a broker or nominee you may be able to authorize your proxy by telephone or the Internet as well as by mail, but you will need to obtain and follow instructions from your broker or nominee to vote these shares.

**May I revoke my proxy for the Annual Meeting once I have given it?**

You may revoke your proxy at any time before it is voted at the Annual Meeting by:

properly executing and delivering a later dated proxy (including a telephone or Internet proxy authorization);

voting by ballot at the Annual Meeting; or

sending a written notice of revocation to the Corporate Secretary of the Company at Steven Madden, Ltd., 52-16 Barnett Avenue, Long Island City, New York 11104.

**How does the Board of Directors recommend that I vote my shares?**

The Board of Directors of the Company recommends that you vote:

“FOR” the election of each of the six director nominees;

“FOR” the approval of an amendment to the Company’s Certificate of Incorporation that increases the total number of shares of Common Stock authorized for issuance;

“FOR” the approval, on a non-binding advisory basis, of the executive compensation of the Company’s named executive officers, as disclosed in this Proxy Statement; and

“FOR” the ratification of the appointment of EisnerAmper LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2013.

ALL PROXIES RECEIVED WILL BE VOTED IN ACCORDANCE WITH THE CHOICES SPECIFIED ON SUCH PROXIES. PROXIES WILL BE VOTED IN FAVOR OF A PROPOSAL IF NO CONTRARY SPECIFICATION IS MADE. ALL VALID PROXIES OBTAINED WILL BE VOTED AT THE DISCRETION OF THE PERSONS NAMED IN THE PROXY WITH RESPECT TO ANY OTHER BUSINESS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF. AS NOTED ABOVE, IF YOU HOLD YOUR SHARES BENEFICIALLY THROUGH A BROKER OR NOMINEE AND FAIL TO PROVIDE SPECIFIC VOTING INSTRUCTIONS TO THAT BROKER OR NOMINEE, YOUR SHARES WILL NOT BE VOTED IN THE ELECTION OF DIRECTORS AND THE ADVISORY VOTE ON EXECUTIVE COMPENSATION.

**Who will bear the expenses of this solicitation?**

The expense of this solicitation, including preparing, printing and mailing this Proxy Statement, the exhibits hereto and the proxies solicited hereby, will be borne by the Company. In addition to the use of the mails, proxies may be solicited by officers and directors and employees of the Company, without additional remuneration, by personal

interviews, telephone, telegraph or facsimile transmission. The Company will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares of Common Stock held of record by them and will provide reimbursements for the cost of forwarding the material in accordance with customary charges. The Company has entered into an agreement with Phoenix Advisory Partners to assist in the solicitation of proxies and provide related advice and informational support. The total expense of this engagement, which will be borne by the Company, including customary disbursements, is not expected to exceed \$20,000 in the aggregate.

**How will the voting results be reported?**

The preliminary results of the voting on the proposals will be reported at the Annual Meeting. The final certified results will be reported in a Current Report on Form 8-K, which will be filed with the SEC within four business days following the Annual Meeting.

## **STOCKHOLDER NOMINATIONS FOR BOARD MEMBERSHIP, PROPOSALS AND SUBMISSIONS FOR THE COMPANY'S 2014 ANNUAL MEETING**

In accordance with Article II, Section 5 of the Company's By-Laws, director nominations for the 2014 Annual Meeting of Stockholders of the Company (the "2014 Annual Meeting") can only be made by a stockholder of the Company who (A) is a stockholder of record on the date of the giving of the notice of such director nominations and on the record date for the determination of stockholders entitled to vote at such meeting, and (B) complies with the notice requirements and procedures set forth in Article II, Section 5 of the Company's Amended and Restated By-Laws (the "By-Laws"). A stockholder's notice to the Corporate Secretary with respect to any such nominations must be timely and in proper written form pursuant to Article II, Section 5 of the Company's By-Laws, including containing certain information concerning the nominating or proposing stockholder and certain information concerning the nominee, and must be delivered to, or mailed and received at, the Company's principal executive offices not less than 120 days nor

more than 150 days prior to the first anniversary of the date of the Company's 2013 Annual Meeting. Accordingly, any written notice given by or on behalf of a stockholder pursuant to Article II, Section 5 of the Company's By-Laws in connection with the 2014 Annual Meeting must be received no later than January 24, 2014 and no earlier than December 25, 2013.

In accordance with rules promulgated by the SEC, any stockholder who wishes to submit a proposal for inclusion in the proxy material to be distributed by the Company in connection with the 2014 Annual Meeting must do so no later than [December 16], 2013. In addition, in accordance with Article I, Section 7(f) of the Company's By-Laws, in order to be properly brought before the 2014 Annual Meeting, a matter must be either (i) specified in the notice of such meeting given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (ii) otherwise properly brought before such meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (iii) specified in a notice in proper written form given by a stockholder of record on the date of the giving of the notice and on the record date for such meeting, which notice conforms to the requirements of Article I, Section 7(f) of the By-Laws and is delivered to, or mailed and received at, the Company's principal executive offices not less than 120 days nor more than 150 days prior to the first anniversary of the date of the Company's 2013 Annual Meeting. Accordingly, any written notice given by or on behalf of a stockholder pursuant to the foregoing clause (iii) in connection with the 2014 Annual Meeting must be received no later than January 24, 2014 and no earlier than December 25, 2013. In addition, for business to be properly brought before the 2014 Annual Meeting by a stockholder pursuant to the foregoing clause (iii), such stockholder shall have complied with any other applicable requirements, including, but not limited to, the requirements of Rule 14a-8 promulgated by the SEC.

## **PROPOSAL ONE:**

### **ELECTION OF DIRECTORS**

The Company's By-Laws provide that the Board of Directors of the Company shall be comprised of a minimum of one director and that, subject to this limitation, the number of directors may be fixed from time to time by action of the directors. The Company's Board of Directors has fixed the number of directors to comprise the Board of Directors at six directors and the Board of Directors presently is comprised of six directors whose terms expire at the Annual Meeting. Directors serve a one-year term.

Upon recommendation of the Nominating/Corporate Governance Committee of the Board of Directors, the Board of Directors has nominated and is recommending to the stockholders the election of each of the six nominees named below to serve as a director of the Company until the next annual meeting of the Company's stockholders and until his successor is duly elected and qualified or until his earlier death, resignation or removal from office. All nominees have consented to being named in this Proxy Statement and to serving on the Board of Directors if elected.

#### **Biographical Summaries of Nominees for the Board of Directors**

The names and biographical summaries of the six persons who have been recommended by the Nominating/Corporate Governance Committee of the Board of Directors and nominated by the Board of Directors to stand for election at the Annual Meeting are provided below for your information.

Our Board of Directors includes members who are well-qualified to serve on the Board and its committees and to represent the best interests of our stockholders. The Board and the Nominating/Corporate Governance Committee select nominees with a view to establishing a Board of Directors that is comprised of individuals who have extensive business leadership experience, are independent, bring diverse perspectives to the Board, possess high ethical standards and sound business judgment and acumen and a willingness to devote the time necessary for the Board to effectively fulfill its responsibilities. We believe that all of the director nominees possess these qualifications and provide the Board with a full complement of knowledge, business skills and expertise for the effective management of our Company. In addition to these general qualifications, provided below for each nominee for director is a discussion of the experience, qualifications, attributes and skills that led to the Board's conclusion that the nominee should serve as a director.

#### ***Edward R. Rosenfeld - Chairman of the Board and Chief Executive Officer***

Edward R. Rosenfeld, 37, has served as a director of the Company since February 2008 and has served on the Company's Investment Committee since April 2008. Mr. Rosenfeld has been Chairman of the Board and Chief Executive Officer since August 2008 after serving as interim Chief Executive Officer of the Company from March 24, 2008 and prior to that, serving as the Executive Vice President of Strategic Planning and Finance of the Company. Mr. Rosenfeld has been a member of the executive management team since joining the Company in May 2005. Prior to joining the Company, Mr. Rosenfeld was a Vice President with Peter J. Solomon Company, an investment banking boutique, where he specialized in mergers and acquisitions in the retail, apparel and footwear industries. Mr. Rosenfeld serves as a director of Summer Search New York City, a non-profit corporation.

With more than 15 years of experience focused on the retail, apparel and footwear industries, eight of which have been with the Company, Mr. Rosenfeld possesses particular knowledge of and experience in the industry that

strengthens the Board's collective qualifications, skills and experience. Mr. Rosenfeld's background in finance and his analytical skills gained through his years in investment banking provide the Board and the Investment Committee with insight and guidance with respect to, among other things, strategic business development matters. Mr. Rosenfeld has strong leadership skills and an in-depth understanding of the Company and its goals from his positions as the Chairman of the Board and Chief Executive Officer.



***John L. Madden - Owner of JLM Consultants, Inc.***

John L. Madden, 66, has served as a director of the Company since 1993 and has served on the Company's Investment Committee, as its Chair, since April 2008. Since June 2004, Mr. Madden's business consulting company, JLM Consultants, Inc., has provided consulting services to the Company with respect to international sales. From April 1998 through September 2003, Mr. Madden owned a branch office of Tradeway Securities Group, Inc., a brokerage firm, in Florida. From May 1996 through December 1996, Mr. Madden's consulting company, JLM Consultants, Inc., acted as a branch office of Merit Capital, Inc., a brokerage firm. From May 1994 to May 1996, Mr. Madden served as Vice President of Investments for GKN Securities, Inc., a brokerage firm. From August 1993 to April 1994, Mr. Madden was employed by Biltmore Securities, Inc., a brokerage firm, as Managing Director and registered sales representative. Mr. Madden is the brother of Steven Madden, the Company's founder and Creative and Design Chief. Please see the section of this Proxy Statement captioned "Certain Relationships and Related Party Transactions."

As a result of Mr. Madden's numerous years of experience in finance and investing, he possesses a proficiency in financial analysis and investing that strengthens the Board's collective qualifications, skills and experience and provides the Board and the Investment Committee with greater insight and guidance. Mr. Madden's years in business consulting and his strong financial background have provided him with expertise in addressing operational and management issues and providing overall direction for complex corporations like ours. Mr. Madden brings a wealth of knowledge and a depth of experience that comes from over twenty years of service on the Company's Board of Directors. His knowledge of Company history and his understanding of the Company in the context of the Company's long-term strategic plan provides the Board with continuity of direction and focus.

***Peter Migliorini - Sales Manager, Greschlers, Inc.***

Peter Migliorini, 64, has served as a director of the Company since October 1996 and has served on the Company's Audit Committee since October 1996, the Nominating/Corporate Governance Committee, as its Chair, since July 2004 and the Compensation Committee, as its Chair, since July 2004. Mr. Migliorini is also Presiding Director over all executive sessions of the independent directors. Mr. Migliorini has been Sales Manager for Greschlers, Inc., a building supplies company, since 1994. From 1987 to 1994, Mr. Migliorini served as Director of Operations for Mackroyce Group, a construction company. Prior to 1987, Mr. Migliorini held various positions of increasing responsibility from Assistant Buyer to Chief Planner/Coordinator for several shoe companies, including Meldisco Shoes, Perry Shoes and Fasco Shoes.

Mr. Migliorini possesses extensive executive level financial, sales and operations experience. His numerous years of business experience at various levels and in various industries provide the Board with a measure of practical orientation regarding the Company's operations and growth endeavors. Mr. Migliorini's early experience in the shoe industry also provides relevant knowledge and expertise in the Company's specific industry.

***Richard P. Randall - Retired Executive Vice President and Chief Financial Officer, Direct Holdings Worldwide, LLC***

Richard P. Randall, 75, has served as a director of the Company since April 2006 and has served on the Company's Audit Committee, as its Chair, since 2006, on the Nominating/Corporate Governance Committee since September 2008 and on the Investment Committee since April 2008. Mr. Randall was the Executive Vice President and Chief Financial Officer of Direct Holdings Worldwide, LLC, the parent company of Lillian Vernon Corp., a catalog and online retailer of gifts and household goods, and Time-Life, a music and video marketing company, from 2002 until his retirement in June 2005. Prior to 2002, Mr. Randall served as Senior Vice President and Chief Financial Officer of Coach, Inc., a luxury leather goods company, and Chief Operating Officer and Chief Financial Officer of Lillian

Vernon Corp. from 2000 to 2001 and 1998 to 2000, respectively. Currently, Mr. Randall serves as a director and chairs the Audit and Risk Committee of Aceto Corporation, a generic pharmaceutical, nutraceutical and chemical distribution company. Mr. Randall also serves on the board of directors and is a member of the Audit Committee of P&F Industries, Inc., a manufacturer and importer of tools sold principally to the industrial, retail and automotive markets, as well as residential hardware. Mr. Randall is also a director of The Burke Rehabilitation Hospital and also serves as a member of the Executive, Finance, Audit and Research Committees of the hospital. Mr. Randall served as a director and chair of the Audit Committee of Universal Travel Group, a travel services provider in the People's Republic of China, and of Home Systems Group, a manufacturer and distributor of household appliances in the People's Republic of China, from 2007 until 2008 when he resigned from these boards.

With decades of business experience, including tenures as Chief Financial Officer and Chief Operating Officer of both publicly traded and privately held companies in the retail industry, Mr. Randall possesses extensive knowledge of accounting and finance, the retail industry and the issues impacting a publicly traded company. Mr. Randall has extensive executive level experience establishing his capabilities in management of complex organizations and is a certified public accountant. His expertise in finance qualifies him to serve as the Audit Committee “audit committee financial expert” and his service on the boards and committees of other companies has allowed him to gain broad-based experience and sensitivity regarding best practices, which he shares with the Board.

***Ravi Sachdev - Managing Director, J.P. Morgan.***

Ravi Sachdev, 36, has served as a director of the Company since September 2008 and has served on the Company’s Audit Committee since September 2008. Mr. Sachdev joined J.P. Morgan, a global investment bank, as a Managing Director in November 2010, and focuses on the healthcare services subsector. Previously, Mr. Sachdev was a Managing Director at Deutsche Bank Securities, Inc. (“Deutsche Bank”) from January 2009 and prior to that held the position of Director at Deutsche Bank from January 2007 until January 2009. Mr. Sachdev joined Deutsche Bank in 2006 as a Vice President. Prior to joining Deutsche Bank, Mr. Sachdev was a Vice President at Peter J. Solomon Company, an investment banking boutique, specializing in mergers and acquisitions in the healthcare sector, from 1998 to 2006.

Mr. Sachdev possesses knowledge of finance and the financial analytics used to measure business performance. His 14 years of professional experience in investment banking brings to the Board a thorough understanding of the financial issues affecting public companies and greater insights in business valuation together with a practical orientation with respect to acquisitions and integrations which our Company has undertaken over the last few years.

***Thomas H. Schwartz - Owner, Sumner and Forge Investors LLC***

Thomas H. Schwartz, 65, has served as a director of the Company since May 2004 and has served on the Company’s Compensation Committee since July 2004. Since March 2007, Mr. Schwartz has been the Chief Executive Officer and sole owner of Sumner and Forge Investors LLC, a company that invests in real estate and manages properties in which it holds ownership interests. Previously, Mr. Schwartz was a Managing Director of Helmsley-Spear, Inc., a real estate brokerage and management company, from 1984 to March 2007.

With more than twenty years of experience as a Managing Director of Helmsley-Spear, Inc. and six years as the owner of his own real estate investment firm, Mr. Schwartz brings to the Board extensive executive level experience in handling operations issues and practical expertise in management.

**Required Vote**

Proxies will be voted for the election of the six nominees as directors of the Company unless otherwise specified in the proxy. A plurality of the votes cast by the holders of shares of Common Stock present in person or represented by proxy at the Annual Meeting will be necessary to elect the nominees as directors. This means that the director nominees who receive the greatest number of affirmative votes cast are elected as directors subject to our Director Election (Majority Voting) Policy which is described under the caption “Corporate Governance-Director – Election (Majority Voting) Policy” below. If, for any reason, any nominee is unable or unwilling to serve, the proxies will be voted for a substitute nominee who will be designated by the Board of Directors at the Annual Meeting. Stockholders may abstain from voting by marking the appropriate boxes on the accompanying proxy. Abstentions will be counted separately and used for purposes of calculating whether a quorum is present at the Annual Meeting.

### **Director Election (Majority Voting) Policy**

It is the policy of the Company that any nominee for director who receives a greater number of “WITHHOLD” votes than “FOR” votes for his election must promptly submit a letter of resignation to the Nominating/Corporate Governance Committee following the certification of the stockholder vote. In such event, the Nominating/Corporate Governance Committee would then consider the offer of resignation and make a recommendation to the Board of Directors as to whether or not the resignation should be accepted. This policy does not apply in contested elections. For more information about this policy, see “Corporate Governance – Director Election (Majority Voting) Policy” below.

### **Recommendation of the Board of Directors**

The Nominating/Corporate Governance Committee of the Board and the entire Board of Directors unanimously recommend a vote “FOR” the election of Messrs. Edward R. Rosenfeld, John L. Madden, Peter Migliorini, Richard P. Randall, Ravi Sachdev and Thomas H. Schwartz.

## **CORPORATE GOVERNANCE**

### **The Board of Directors**

Our business is managed under the direction and oversight of the Board of Directors who are elected by the Company’s stockholders. Directors meet their responsibilities by participating in meetings of the Board of Directors and the various committees of the Board on which they sit, as well as through communicating with our Chairman and Chief Executive Officer, other officers and employees of the Company and by consulting with our independent registered public accounting firm and other third parties.

### **Director Independence**

The Board of Directors is currently comprised of six members. The Board of Directors has determined that the following director nominees are “independent” for purposes of the criteria of the SEC and The Nasdaq Global Select Market listing standards: Messrs. Migliorini, Randall, Sachdev and Schwartz. If the six nominees set forth above are elected, the Board will be comprised of a majority of independent directors. The Board of Directors has held regularly scheduled executive sessions for the independent directors, with Peter Migliorini serving as Presiding Director of such executive sessions.

### **Director Attendance at Meetings**

#### ***Attendance at Annual Meetings of Stockholders***

The Company has no specific policy regarding director attendance at its annual meetings of stockholders. The Company encourages all of its directors to attend annual meetings of the Company’s stockholders and two directors attended the Company’s 2012 annual meeting of stockholders.

#### ***Attendance at Meetings of the Board of Directors***

The Board of Directors held four regularly scheduled meetings during the 2012 Fiscal Year, two of which were not attended by Mr. Schwartz, and acted by unanimous written consent on two occasions during the 2012 Fiscal Year. In Fiscal Year 2012, each director attended at least 75% of the aggregate number of meetings held by all committees on which he then served.

### **Director Election (Majority Voting) Policy**

The Company has adopted a Director Election (Majority Voting) Policy. Pursuant to this policy, in an uncontested election of directors (that is, an election where the number of nominees is equal to the number of seats open) any nominee for director who receives a greater number of “WITHHOLD” votes than “FOR” votes for his election must promptly submit an offer of resignation to the Nominating/Corporate Governance Committee following the certification of the stockholder vote for consideration in accordance with the following procedures.

In such event, upon receipt of the resignation, the Nominating/Corporate Governance Committee would promptly consider the appropriateness of the director's continued service on the Board of Directors and recommend to the Qualified Independent Directors (as defined below) the action to be taken with respect to the resignation, which could include (1) accepting the resignation; (2) rejecting the resignation; (3) maintaining the director but addressing what the Qualified Independent Directors believe to be the underlying cause of the "WITHHOLD" votes; or (4) determining that the director will not be renominated by the Board of Directors in future elections. The Nominating/Corporate Governance Committee would consider factors such as (a) the reasons expressed by the stockholders for withholding votes from such director; (b) any possibilities for curing the underlying cause of the "WITHHOLD" votes; (c) the tenure and qualifications of the director and his past and expected future contributions to the Company; (d) the overall composition of the Board of Directors, including, without limitation, whether accepting the resignation would cause the Company to fail to meet any applicable SEC or Nasdaq requirement; (e) the availability of other qualified candidates; and (f) the Company's Board of Director Candidate Guidelines and Director Election (Majority Voting) Policy.

The Qualified Independent Directors would then act on the Nominating/Corporate Governance Committee's recommendation no later than 90 days following the date of the stockholders' meeting at which the director election occurred. In considering the Nominating/Corporate Governance Committee's recommendation, the Qualified Independent Directors would review the factors considered by the Nominating/Governance Committee and such