

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

01 Civ. 331 (JG)

v.

STEVE MADDEN,

Defendant.

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**STEVE MADDEN DISGORGEMENT FUND**

**DISTRIBUTION NOTICE**

TO: PERSONS OR ENTITIES WHO PURCHASED PUBLICLY TRADED SHARES OF STEVE MADDEN LTD. (TICKER SYMBOL "SHOO") ON MAY 31, 2000.

If you purchased registered securities of Steve Madden Ltd. (ticker "SHOO") on May 31, 2000, you may be eligible for partial recovery of any losses you incurred. As a result of an enforcement action by the Securities and Exchange Commission ("SEC"), Steve Madden consented to the disgorgement of funds in the total amount of \$853,415.84. On April 23, 2004, the United States District Court for the Eastern District of New York (the "Court") approved an Order Authorizing a Plan for Distribution of Disgorged Profits (the "Order"). The disgorged funds have been placed in an escrow fund (the "Fund") and will be distributed to eligible purchasers of Steve Madden Ltd. securities pursuant to the terms of the Order. This Notice is provided by Stephanie Avakian, who was appointed by the Court as Distribution Agent for the Fund. A copy of the Order is enclosed.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU SATISFY THE ELIGIBILITY CRITERIA DESCRIBED BELOW, YOU MAY BE ENTITLED TO A RECOVERY FROM THE FUND. THIS NOTICE CONTAINS IMPORTANT INFORMATION.

**If you satisfy the eligibility criteria described below and wish to receive proceeds of this settlement, you must complete and submit the enclosed Proof of Claim Form to the Distribution Agent no later than May 18, 2006.**

**Eligibility Criteria**

In order to qualify for a recovery from the Fund, you must have made a net purchase of Steve Madden Ltd. (SHOO) common stock on May 31, 2000. In order to make a net purchase of SHOO common stock on May 31, 2000, you must have purchased more shares of SHOO than you sold on that date. For example, if you purchased 400 shares of SHOO on May 31, 2000, and sold 200 shares of SHOO on that date, you made a net purchase of 200 shares. If you only

purchased shares of SHOO on May 31, 2000, and did not sell any SHOO shares on that date, you made a net purchase.

**You must submit a completed proof of claim form to the Distribution Agent at the below address, postmarked NO LATER THAN May 18, 2006, to enable the Distribution Agent to determine whether you qualify for a recovery from the Fund. If you fail to submit a completed Proof of Claim Form prior to May 18, 2006, you will be barred from receiving a payment from the Fund.**

Each Proof of Claim Form must be accompanied by supporting documentation. This documentation may include: (i) photocopies of monthly stock brokerage or other investment account statements (reflecting your purchase of SHOO shares on May 31, 2000); (ii) trade confirmation slips provided by your stockbroker or other broker-dealer; (iii) schedules attached to income tax filings; and/or (iv) signed letters from brokers, on their firm's letterhead, providing all of the information that would be found on a confirmation slip. Instructions regarding this required documentation are also provided with the Proof of Claim Form.

If you need multiple copies of the Proof of Claim Form, you may copy the enclosed form or you may request additional copies. (See the instructions below for obtaining additional Proof of Claim Forms.)

The Proof of Claim Form submitted in response to this Notice will be the basis of all future distributions from the Fund. The information provided in the Proof of Claim Form will enable the Distribution Agent to determine whether you meet the eligibility criteria for a recovery from the Fund, and if so, what amount you are entitled to receive.

Claim determination notices will be sent to all persons who file a Proof of Claim Form on or before May 18, 2006. The Distribution Agent will be unable to determine recoveries prior to the processing of all timely filed Proof of Claim Forms.

Failure to accurately provide information requested in the Proof of Claim Form could result in a delay in the processing, or in a rejection, of your claim. Please refer to the enclosed instructions when completing the enclosed Proof of Claim Form.

#### **Instructions for Obtaining a Proof of Claim Form**

You will not be able to request a Proof of Claim Form by telephone. You may submit a written request for a Proof of Claim Form to the following address:

**STEPHANIE AVAKIAN  
ATTN: STEVE MADDEN DISTRIBUTION  
WILMER CUTLER PICKERING HALE AND DORR LLP  
399 PARK AVENUE  
NEW YORK, NY 10022**

Or by e-mail:

**SteveMaddenDisgorgementFund@wilmerhale.com**