



THE UNITED STATES
DEPARTMENT of JUSTICE

United States Attorney's Office
District of Oregon

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Zadeh Kicks Owner and Chief Financial Officer Charged in \$85 Million Wire Fraud and Bank Fraud Conspiracy

Fraud victims asked to submit loss information to the FBI

EUGENE, Ore.—The former owner and chief financial officer of Zadeh Kicks LLC, a now-defunct Oregon corporation that sold limited edition and collectible sneakers online, made their first appearances in federal court today after being charged with perpetrating a fraud scheme that allegedly cost customers more than \$70 million in unfulfilled orders and defrauded financial institutions out of over \$15 million.

Michael Malekzadeh, 39, a Eugene resident, has been charged by criminal information with wire fraud, conspiracy to commit bank fraud, and money laundering. Bethany Mockerman, 39, also of Eugene, has been charged with conspiring with Malekzadeh to commit bank fraud.

According to court documents, Malekzadeh started his business in 2013 by purchasing limited edition and collectible sneakers to resell online. Beginning as early as January 2020, Zadeh Kicks began offering preorders of sneakers before their public release dates, allowing Malekzadeh to collect money upfront before fulfilling orders. Malekzadeh advertised, sold, and collected payments from customers for preorders knowing he could not satisfy all orders placed.

For example, in 2021, Malekzadeh began selling preorders of Nike Air Jordan 11 Cool Grey sneakers. Zadeh Kicks received and accepted preorder sales of over 600,000 pairs of sneakers, resulting in payments to Malekzadeh of more than \$70 million. Malekzadeh had no way of acquiring the quantity of sneakers needed to fill the preorders received. In fact, he was only able to acquire just over 6,000 pairs. Customers were either left with unfulfilled orders or they received a combination refund of cash and Zadeh Kicks gift cards.

By April 2022, Malekzadeh owed customers more than \$70 million in undelivered sneakers and unknown additional millions held by customers in worthless company gift cards.

In her role as Zadeh Kicks chief financial officer, Mockerman conspired with Malekzadeh to provide false and altered financial information to numerous financial institutions—including providing altered bank statements—on more than 15 bank loan applications. Together, Mockerman and Malekzadeh received more than \$15 million in loans from these applications.

As part of the government's ongoing criminal investigation, federal agents have seized millions of dollars in cash and luxury goods that Malekzadeh acquired with the proceeds of his fraud. The seized items include nearly 100 watches, some valued at over \$400,000, jewelry, and hundreds

of luxury handbags. The government also seized nearly \$6.4 million in cash which was the result Malekzadeh's sale of watches and luxury cars manufactured by Bentley, Ferrari, Lamborghini, Porsche, and others.

Malekzadeh and Mockerman are cooperating with the government's investigation, including the seizure of assets described above. Both made their first appearances in federal court today before U.S. Magistrate Judge Mustafa T. Kasubhai and were released conditions pending further court proceedings.

If you or someone you know were a Zadeh Kicks customer with unfulfilled orders or otherwise believe you were defrauded by Malekzadeh or Mockerman, the FBI wants to hear from you. Please visit [FBI.gov/ZadehKicks](https://www.fbi.gov/ZadehKicks) to complete a brief online questionnaire. Your voluntary responses will assist with the FBI's ongoing criminal investigation and help to identify you as a potential crime victim. Based on your responses, you may be contacted by the FBI for more information.

This case is being investigated by IRS-Criminal Investigations, FBI, and Homeland Security Investigations (HSI) with assistance from the Oregon Intellectual Property Task Force. Assistant U.S. Attorneys Gavin W. Bruce and Quinn P. Harrington are prosecuting the case. The related assets seizures and forfeitures are being handled by Assistant U.S. Attorney Katie de Villiers and the U.S. Attorney's Office's Asset Recovery and Money Laundering Division.

A criminal information is only an accusation of a crime, and defendants are presumed innocent unless and until proven guilty.

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