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Zadeh Kicks Owner Sentenced to Federal Prison for \$80 Million Wire Fraud and Bank Fraud Conspiracy

EUGENE, Ore.— The former owner of Zadeh Kicks LLC, a now-defunct Oregon corporation that sold limited edition and collectible sneakers online, was sentenced to federal prison today for his role in a vast fraud conspiracy that cost customers more than \$65 million in unfulfilled orders and defrauded financial institutions out of more than \$15 million.

Michael Malekzadeh, 42, a Eugene resident, was sentenced to 70 months in federal prison to be followed by 5 years of supervised release and ordered to forfeit more than \$15 million in assets. Restitution will be determined at a later date.

“This million-dollar fraud was fueled by the defendant’s insatiable greed and wreaked havoc on the lives of his victims and their families—delaying home purchases, retirements, and engagements,” said Scott E. Bradford, U.S. Attorney for the District of Oregon. “Michael Malekzadeh fed his lavish lifestyle by cheating his customers, collectors, and investors out of millions and defrauding banks. The sentence imposed today reflects the seriousness of these crimes and should serve as warning to anyone contemplating fraud as a get-rich-quick scheme.”

“While the defendant lived in luxury, he took money from kids and adults for goods he was never going to deliver,” said Acting FBI Portland Special Agent in Charge Stephanie Shark. “In this case, part of the cost of his crimes are the unfulfilled desires of individuals who trusted him with their money. It is a good reminder that when transactions require us to rely on those who we do business with; it is important to do whatever we can to also verify they can deliver what they promise. Investigating fraud and deception in our communities remains an FBI priority.”

“The devastating effects of financial crime are real, as Mr. Malekzadeh’s greed harmed many lives,” said Special Agent in Charge Carrie Nordyke, IRS Criminal Investigation (IRS-CI), Seattle Field Office. “The consequences for financial crime are equally as real however, as shown in Mr. Malekzadeh’s sentencing. IRS-CI is committed to protecting our communities from financial fraudsters.”

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. By April 2022, Malekzadeh owed customers more than \$65 million in undelivered sneakers.

Beyond defrauding his customer base, Malekzadeh conspired to provide false and altered financial information to numerous financial institutions—including providing altered bank statements—on more than 15 bank loan applications. All told, Malekzadeh and his co-conspirator received more than \$15 million in loans from these applications.

During the investigation, agents seized millions of dollars in cash and luxury goods that Malekzadeh acquired with the proceeds of his fraud, including luxury watches, jewelry, and hundreds of handbags. Additionally, almost \$7.5 million was seized from the sale of Malekzadeh's residence in Eugene, his watches, and luxury cars manufactured by Bentley, Ferrari, Lamborghini, and Porsche.

On July 29, 2022, Malekzadeh was charged by criminal information with wire fraud, conspiracy to commit bank fraud, and money laundering. On March 20, 2025, he pleaded guilty to wire fraud and conspiracy to commit bank fraud.

As part of their plea agreements, Malekzadeh and his co-conspirator agreed to pay restitution in full to their victims. A restitution hearing is currently set for March 31, 2026.

This case was investigated by the FBI, IRS-CI, and Homeland Security Investigations with assistance from the Oregon Intellectual Property Task Force. It is being prosecuted by William M. McLaren, Assistant U.S. Attorney for the District of Oregon. Forfeiture and restitution proceedings are being handled by the United States Attorney's Office's Asset Recovery Unit.

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