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Fedorov: Adviser cheated me of \$43M

Grosse Pointe Shores man says he'll pay him back

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For nearly 20 years, former Red Wing great Sergei Fedorov has victimized opponents with slick skating and a deadly shot.

Now he says he is the victim, swindled out of \$43 million by a Grosse Pointe Shores man entrusted to manage his money.

In a lawsuit expected to be filed today in Wayne County Circuit Court, Fedorov accuses Joseph Zada of embezzling the money during the past 11 years. Describing Fedorov as "a Russian-born individual who has limited knowledge of and experience in investment, legal and financial matters," the lawsuit says Zada "by deceit and fraud worked his way into the confidence of Fedorov."

• **PDF:** [Download a copy of Fedorov's lawsuit](#)

Zada challenged on Wednesday the amount Fedorov says he gave him, and denied trying to scam him. And he said it was a loan, not an investment.

Zada acknowledged agreeing to pay Fedorov \$60 million earlier this year to resolve the matter. Fedorov's suit says the money was never paid.

"It is my intent to make whole and hopefully we can resolve this," Zada said. "I still believe we can still be friends."

Fedorov is not Zada's only problem. Former friends and business associates in Michigan and Florida, where Zada is active in equestrian pursuits, have filed lawsuits claiming Zada cheated them out of millions.

Early bonanza sealed Fedorov's trust

The year 1998 was a big one for Fedorov.

He signed one of the most lucrative contracts in hockey history — a \$38-million, 6-year deal.

He and the Red Wings won the Stanley Cup.

He was often spotted with teenage tennis sensation Anna Kournikova — widely considered one of the most beautiful women in the world.

And he met Zada.

Things started out well enough. A mutual friend who worked at a metro Detroit Porsche dealership, where Fedorov and Zada were customers, introduced them, said Marc Beginin, Fedorov's attorney.

Fedorov invested some money with Zada. Before long, he received "a substantial return," Beginin said.

Based on that early success, Fedorov entrusted Zada with additional loot earned over the course of his stellar NHL career. In all, the Russian-born hockey superstar gave Zada more than \$43 million, according to a lawsuit Beginin said he was filing this morning. An advance copy of the suit was provided to the Free Press.

The trust between the men was so strong that Fedorov never received any paperwork documenting his investment's performance.

"Whenever Fedorov inquired about the entrusted assets, Zada, acting in concert with others, intentionally lied to Fedorov, provided Fedorov with false information and engaged in other fraud and deceptions," the suit says, adding that when Fedorov asked for his money, Zada did not return it.

Making a deal

On March 6, however, Zada and Fedorov struck a deal that called for Zada to pay Fedorov \$60 million within 45 days to resolve their dispute.

The one thing that Fedorov and Zada agree on is that the \$60 million was never paid.

"I'm absolutely not debating that money is owed," Zada told the Free Press during a phone conversation Wednesday, acknowledging the agreement with Fedorov.

But Zada, who has a Lake Shore Drive home in Grosse Pointe Shores, said the money Fedorov gave him was not an investment, it was a loan.

"Sergei has been, and I am hopeful soon will be again, an amazing and necessary presence of friendship in my life," Zada wrote in an e-mail. "He has always been there for me as I have been for him and I truly do appreciate him. Although things may be uncomfortable given the circumstances, my commitment to him has not and will not waiver.

"Due to circumstances beyond my control, there have been delays in repaying obligations to him. However, they are just that, 'delays.' Those delays do not change the fact that, one, I am doing everything humanly possible to correct this situation; two, repayment is imminent, and three, I hope to soon permanently repair our relationship. I remain focused on fully resolving this issue."

Beginin, Fedorov's attorney, countered: "Sergei is, of course, open to being paid back all of the substantial amount of funds involved in this matter."

Despite the millions of dollars at stake, Fedorov is not likely to miss any meals.

On June 25, he signed a 2-year deal with Metallurg Magnitogorsk that is believed to be worth \$4 million a year, ESPN reported. The Russian team plays in the Continental Hockey League, also known as the KHL, which features dozens of former NHL players and a few aging stars.

Fedorov, 39, was not available for comment because he is overseas preparing for the upcoming KHL season.

Although he is the most well-known person to sue Zada, he is far from the only one.

During the past 14 months, eight individuals and businesses have sued Zada in Wayne County Circuit Court, seeking millions they say Zada owed them. Only a couple of the cases have been resolved.

Zada also has drawn the anger of former friends and business associates in Florida, where he is so passionate about horses that he sponsors equestrian events.

Ron Davis, a filmmaker whose documentary "Pageant" follows five men competing in the Miss Gay America contest, has begun work on a film about his relationship with Zada.

Called "Riches to Rags," it details how Zada allegedly ripped off friends for millions of dollars.

"He claims that I loaned him money and that our friends loaned him money," Davis said. "Why would you lend your richest friend money? That doesn't make sense. ... He came to us with a business venture."

Good intentions

Although Davis said he feels betrayed by Zada — who he estimates owes him about \$1.8 million — he said he does not believe Zada set out to cheat him.

"I can't believe in my heart of hearts he set out to do this," Davis said. "Somewhere along the way something went wrong."

Zada, who calls some of the Florida accusations "orchestrated character assassinations," created a Web site — <http://www.zadaresponds.com> — to counter certain allegations.

On the site, he writes: "Ron Davis and I have a business dispute and he has opted to resort to melodrama, hoped-for embarrassment and slander instead of testing his claim for money in a court of law."

Two other former Zada friends, Robert Dover and Robert Ross, claim Zada owed them \$4 million each. The men's attorney, Don Dufresne, said Zada agreed to pay them the money, but never did. So they sued him. The case ended with settlements in which Zada agreed to pay the men unspecified amounts, according to Palm Beach County, Fla., court records.

Dufresne said Zada has yet to pay the money.

Dufresne, who said he has sued Zada on behalf of other clients, added: "Joe Zada appears to have a successful track record of getting people to trust him."

Zada, though, citing "a sad time in our economy," asked for patience.

"It is circumstances, certainly not my intent, that have kept me from keeping my obligations," he told the Free Press on Wednesday. "I am absolutely confident in myself and resolution of my situation, and I will make right any legitimate debt that I do owe."

Fedorov's NHL salary breakdown

SEASON	TEAM	SALARY	COMMENT
1990-91	Red Wings	\$220,000	Scored 79 points (31 goals) in 77 games in rookie season.
1991-92	Red Wings	\$295,000	Runner-up to Guy Carbonneau for Selke Trophy despite more first-place votes.
1992-93	Red Wings	\$270,000	Third on team in points (87) and tied for third in goals (34).
1993-94	Red Wings	\$295,000	Scored 56 goals and 120 points; won Hart Memorial Trophy (league MVP).
1994-95	Red Wings	\$1,737,036	In lockout-shortened season, had his first career four-goal game.
1995-96	Red Wings	\$4,162,000	Led team with career-high 68 assists, 39 goals and 107 points.
1996-97	Red Wings	\$4,300,000	Scored eight playoff goals and 20 points in helping win Stanley Cup.
1997-98	Red Wings	n/a	Played only 21 regular-season games after lengthy contract holdout, but won second Cup.
1998-99	Red Wings	\$14,000,000	Tied Igor Larionov as team's second-leading scorer with 63 points.
1999-00	Red Wings	\$2,000,000	Team's top scorer in playoffs with eight points (four goals, four assists).
2000-01	Red Wings	\$2,000,000	Led team with 32 goals and was third with 69 points.
2001-02	Red Wings	\$2,000,000	Second on team behind Brendan Shanahan with 31 goals and 68 points; won third Cup.
2002-03	Red Wings	\$2,000,000	Led team with 47 assists and 83 points in final season with Wings.
2003-04	Anaheim	\$10,000,000	Led Ducks with 31 goals and 65 points in 80 games.
2004-05	n/a	—	Lockout (no season).
2005-06	Anaheim/Columbus	\$6,080,000	Traded to Columbus in November for Tyler Wright and Francois Beauchemin.
2006-07	Columbus	\$6,080,000	Ranked third on team with 18 goals and tied Fredrik Modin for third with 42 points.
2007-08	Columbus/Washington	\$6,080,000	Traded to Washington for Capitals draft pick Ted Ruth in February.
2008-09	Washington	\$4,000,000	Passed Alexander Mogilny for most career goals by a Russian-born player.

TOTAL — NHL earnings accumulated from 1990 to 2009: **at least \$65 million**

Note: Fedorov signed a six-year, \$38-million contract in early 1998. The Free Press reported he earned \$28 million for 1997-98 and \$2 million each of the next five seasons. HockeyZonePlus reports he earned \$22 million over this six-year span. Therefore, it's uncertain as to whether Fedorov's career NHL earnings are closer to \$65 million or \$80 million. These figures do not include earnings through endorsements.

Sources: HockeyZonePlus and Free Press research

KOFI MYLER/Detroit Free Press