

logo not found or type unknown

Owing \$1.1 Million to Businesses, USVI-Based Island Direct Files for Bankruptcy in Florida

Business / **Published On April 01, 2021 06:11 AM /**

Ernice Gilbert **April 01, 2021**

Image not found or type unknown



Island Direct's logo. By. TWITTER

Island Direct, LLC — the predominant food delivery service in the U.S. Virgin Islands — has filed for bankruptcy, leaving a sea of debt totaling more than \$1.1 million owed to Virgin Islands businesses as well as lending firms on the U.S. mainland.

Filed in U.S. Bankruptcy Court in Middle District Florida in March, court documents obtained by the Consortium show that company owner Tarek Bahou filed for Chapter 7 bankruptcy, which governs the process of liquidation under the bankruptcy laws of the United States. Chapters 11 and 13 govern the process of reorganization of a debtor.

A number of companies had filed suit against Island Direct for nonpayment. The company had seen breakneck growth in the territory as local businesses looking to expand their reach and provide convenience to customers, bought into Island Direct's business model. The model sees customers ordering food through Island Direct's app, followed by delivery of the food to the customer's location. The purchase went directly to Island Direct's account instead of the businesses from which the items were purchased, and the company, after securing its share, was supposed to remit payment to the businesses monthly.

But Island Direct was unable to make those payments. Documents show that the firm took out multiple loans from lending firms totaling roughly \$550,000, which appear to have strained the company's ability to meet all of its obligations — including funds that were secured through direct payments to Island Direct by customers of the many local businesses it partnered with.

According to court documents, Island Direct owes Fusion Funding, a Long Island, New York-based firm which provides quick cash to clients, \$59,099.96. It also owes a company named Future Advance \$134,125.41. Another lending firm named MR Advance is owed \$78,267.60; RDM Capital is owed \$128,768.94; and the Small Business Administration, Disaster Loan Service Center is owed, \$149,000.00

The company's main operation is centered around the U.S. Virgin Islands mainly on St. Croix and St. Thomas. Island Direct also had smaller operations in other Caribbean islands, including The Bahamas.

Below is a list of businesses owed the most money by Island Direct. There are smaller amounts owed to both individuals and companies, as seen in the court documents [here](#).

- Agave Restaurant (St. Thomas) \$15,438.67
- Food Town, (St. Croix) \$17,771.55
- Napoleon's Pizza East (St. Croix) \$2,086.50
- Domino's Pizza Nisky Center, (St. Thomas) \$16,296.77
- Delly Deck, (St. Thomas) \$4,127.93
- Dashi Sushi, (St. Croix) \$14,836.71
- Cool Out Bar & Restaurant, (St. Croix) \$11,475.78
- Breeze's Restaurant, (St. Croix) \$8,953.86
- Beni Iguana's Sushi Bar & Restaurant, \$9,348.41
- Expressway Market & Deli (St. Croix) \$5,725.72
- Mims Seaside Bistro (St. Thomas) \$10,879.18
- Moe's Fresh Market (St. Thomas) \$9,315.54
- Nate's Boathouse (St. Croix) \$11,146.29
- Ocean View Cafe (St. Croix) \$8,237.49
- Pesce iTALiAN (St. Thomas) \$5,072.48
- Pie Whole Pizza (St. Thomas) \$12,353.82
- Pizza Hut (Sunny Isle, St. Croix) \$5,408.98
- Pizza Hut (Fort Mylner Shopping Center, St. Thomas) \$4,956.99
- Plaza Extra Tutu Supermarket (St. Thomas) \$15,094.94
- Plaza Extra West (renamed The Market St. Croix), \$13,232.99
- Sib's on the Mountain Restaurant & Bar (St. Thomas) \$4,605.84
- Sugarcane Grille (St. Thomas) \$9,836.66
- Super Value Food Store (Nassau, Bahamas) \$70,996.32
- Tullies Pizza (Sunny Isle, St. Croix) \$8,312.17

- Verizon Wireless \$4,052.93
- AT&T Mobility (\$3,415.16
- Virgo Communications (Marketing Agency in Barbados) \$11,641.66
- Wendy's (Havensight, St. Thomas) \$10,400.03
- Wendy's (Sunny Isle, st. Croix) \$18,558.50
- Yum Yum Fast Food (St. Croix) \$4,944.00

The filing was made on March 21, and Mr. Bahou is being represented in Florida by the Law Office of Michael A. Ziegler, P.L.: Debt Fighters.