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Columbus Tracks Latitude Five25 Owners to Bankruptcy Court in New Jersey as Problem Landlord Tries to Dodge Historic \$4.3 Million Fine

Columbus officials ask Court to dismiss “bad faith” bankruptcy claim aimed at evading \$4.3 million fine for displaced tenants, the City and Franklin County and greenlight takeover by receivership group to clean up property

COLUMBUS, OH— Columbus City Attorney Zach Klein today announced the City of Columbus filed a motion in the United States Bankruptcy Court District of New Jersey in response to Paxe Latitude, the owners of the Latitude Five25 apartments in Columbus, filing for bankruptcy in order to skip out on paying a more than \$4.3 million judgement to displaced tenants, the City of Columbus and Franklin County. The fines stem from ongoing litigation involving Paxe’s unsafe, unsanitary living conditions at the 394-unit complex on the city’s east side.

“The ownership group at Latitude Five25 ruined the lives of tenants and are now trying to evade any responsibility for their actions by skipping town and running off to New Jersey to declare bankruptcy,” said Columbus City Attorney Zach Klein. **“If you’re a business owner or landlord that harms Columbus residents, we’re going to go after you. The City will use every legal tool we have to ensure this judgement is paid, tenants are made whole, and management of the towers is transferred to a receiver.”**

On February 20, just days after being held in contempt of court in Columbus, Paxe Latitude filed a petition in New Jersey for relief under chapter 11 of the United States Bankruptcy Code in an attempt to dodge the historic \$4.3 million judgement and takeover of the property, which still remains uninhabitable following the mass evacuation of the site on Christmas Day 2022.

In its motion, the City of Columbus is asking the District Bankruptcy Court to dismiss Paxe’s bankruptcy filing because it was made in bad faith, arguing the filing was made in order to evade the fines and appointment of receiver to take over the property.

Alternatively, in the scenario that the Court allows the bankruptcy case to continue, the City’s motion asks the Court to allow the immediate appointment of a receiver to take control of the property while the bankruptcy case is pending, which would allow for continued maintenance

and remediation of code violations and asbestos contamination due to the property owner's negligence.

“Our primary focus has been the safety and welfare of the tenants whose lives have been upended,” said Scott Messer, director of Columbus Building and Zoning Services Department. **“We will hold this irresponsible property owner accountable for allowing and even causing the deplorable conditions at the property.”**

In February, Latitude Five 25 property owners were held in contempt of court for violating numerous provisions of a January 2023 court order, fined more than \$4.3 million, and ordered to transfer the property to a receivership group to take over management of the property.

City Attorney Klein noted that any future receiver or property owner will still be subject to the City's nuisance case as long as it remains active, which requires any ownership or management group to keep the property in compliance with all applicable city and state codes, maintain security, and ensure safe, sanitary living conditions for tenants.

[The City's filing is attached.](#)

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