

Stateline's Villalobos files for bankruptcy

By Dale Kasler, Sacramento Bee

Buried under gambling debts and a lawsuit accusing him of bribing pension fund officials, former CalPERS board member Alfred Villalobos has filed for bankruptcy protection.

The Chapter 11 reorganization petition, filed last week in Reno, creates a major new wrinkle in California's lawsuit against Villalobos – and touches off a tug-of-war over his vast fortune.

Villalobos lost control of his holdings last month. Lawyers for Attorney General Jerry Brown, arguing that the Stateline man would squander his money supporting his “prolific” gambling habit, seized his assets in order to pursue a \$95 million lawsuit against him alleging bribery and fraud.

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