

California seeks OK to sue Stateline man in CalPERS case

By Dale Kasler, Sacramento Bee

California officials have asked a bankruptcy judge for permission to pursue their lawsuit against Alfred Villalobos, the former CalPERS board member they've accused of bribing top pension fund officials.

"Bankruptcy is not a haven for wrongdoers," lawyers for Attorney General Jerry Brown said in papers filed last week in U.S. Bankruptcy Court in Reno.

Villalobos filed for bankruptcy protection in June, a month after Brown's office sued him and former CalPERS Chief Executive Fred Buenrostro. Normally, filing in bankruptcy court would automatically shield a debtor from being sued.

But Brown's lawyers argue that the bankruptcy shield doesn't apply to "police and regulatory actions," including the suit they've filed against Villalobos.

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