

Villalobos sues casinos for return of debt payments to add to bankruptcy estate

By Dale Kasler, Sacramento Bee

Alfred Villalobos, the central figure in the California Public Employees' Retirement System bribery investigation, has won and lost millions gambling in Nevada's casinos.

Now he's suing two of his favorite haunts for \$600,000, demanding his money back.

The lawsuits, filed last week in U.S. Bankruptcy Court, are an outgrowth of the Lake Tahoe businessman's 2-year-old bankruptcy case.

Villalobos is trying to retrieve money he paid to the two casinos to settle gambling debts in April 2010, about two months before he filed for Chapter 11 protection.

Villalobos wants the Eldorado Hotel Casino in Reno to return \$500,000. He wants \$100,000 back from the MontBleu Resort Casino & Spa at Lake Tahoe.

If Villalobos wins, he doesn't keep the money. The funds would be distributed among his various unsecured creditors.

So why is he bothering to sue? Because he has little choice. A debtor has a legal obligation to make sure creditors are paid as much as possible – and everyone is treated fairly.

Read the whole story