

Mammoth Lakes town council votes to file for bankruptcy

Reuters

The leaders of Mammoth Lakes voted on Monday to approve a bankruptcy filing for the ski resort town, just days after Stockton became the most populous U.S. city to turn to bankruptcy court for protection from its creditors.

The vote by the Mammoth Lakes town council to seek Chapter 9 bankruptcy protection was unanimous, according to a statement on the town's website.

The town of about 8,000 residents in the Sierra Nevada mountains about 300 miles north of Los Angeles saw no other options after its largest creditor, Mammoth Lakes Land Acquisition, refused to negotiate concessions, the statement said. Mammoth Lakes Land Acquisition won a \$43 million legal judgment against the town stemming from a property development dispute that began in 2006.

A new state law requires financially troubled municipalities to attempt mediation with their creditors before they may file for bankruptcy.

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