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Superior Court of CA,
County of Santa Clara
21CV379828
Reviewed By: M Vu

Attorney for Plaintiffs
EMPIRE INVESTMENTS, LLC
& NGUYEN-HA LIVING TRUST DATED 12/10/04

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA
UNLIMITED JURISDICTION**

21CV379828

EMPIRE INVESTMENTS, LLC;
NGUYEN-HA LIVING TRUST
DATED 12/10/04,

Plaintiff,

vs.

PAUL KIM PHONG NGUYEN; CHASE
MERRITT FUND I, LLC; PARKER
FORECLOSURE SERVICES, LLC;
and DOES 1 through DOES 10, inclusive,

Defendants.

Case No. _____

COMPLAINT

- 1. Declaratory Relief**
- 2. Cancellation of Instrument**
- 3. Breach of Contract**
- 4. Wrongful Foreclosure
(CIV §2923.5)**
- 5. Wrongful Foreclosure
(Homeowner Bill of Rights)**

Plaintiffs Empire Investments, LLC aka Empire Investments Team, LLC, and the
Nguyen-Ha Living Trust Dated 12/10/2004, through their attorney-of-record Vince D. Nguyen
of Newton Law Group, hereby alleges:

PARTIES

1. Plaintiff EMPIRE INVESTMENTS, LLC, ("Empire"), a Wyoming limited
liability company since 2011, and registering to do business in California under the fictitious
name Empire Investments Team, LLC, has been the owner of a real property commonly known
as 12329 Kosich Place, Saratoga, California 95070 ("Property"). In this lawsuit, Empire's rights
and duties are arisen from the Assignment of Rights & Duties in which original obligor The

1 Nguyen-Ha Living Trust Dated 12/10/04 assigns & delegate to Empire all rights and all
2 obligations in connections with the \$215,000 claim held by defendant Paul N.

3 2. Plaintiff NGUYEN-HA LIVING TRUST DATED 12/10/2004 (the "Living
4 Trust" or simply the "Trust") has residency in Santa Clara County, State of California.

5 3. Defendant PAUL KIM PHONG NGUYEN aka PAUL K NGUYEN aka PHONG
6 KIM NGUYEN aka PAUL WYNN ("Paul N"), an individual, was a resident in Orange County,
7 California. At the present however, his residency and contact information is unknown. On
8 information and belief, at all times relevant in these causes of actions, he has been doing business
9 in the United States. In 2010, Paul N became nationally famous after he obtained a quiet title
10 judgment in the lawsuit he had against JPMorgan Chase Bank in which he alleged that the bank
11 wrongfully foreclosed his house. Afterwards, Paul N appeared as a key speaker in numerous
12 seminars about the mortgage securitization and wrongful foreclosure, together with other people
13 well known in the subject such as Neil Garfield and Daniel Edstrom. In 2010, Paul N has once
14 opened a law firm called Global Capital Law PC in Orange County which he claimed would help
15 homeowners with wrongful foreclosure, loan modification, loan settlements, loan negotiation,
16 quiet title, and bankruptcy. Paul N usually represented that he was a lawyer specializing in
17 mortgage securitization.

18 4. Defendant CHASE MERRITT FUND I, LLC ("Chase Merritt") was a Nevada
19 limited liability company which at the time alleged herein conducted mortgage-related business
20 in the United States.

21 On information and belief, Chase Merritt is an alter ego of Paul N, reflected by the
22 following:

- 23 • Paul N was the manager of Chase Merritt;
- 24 • Paul N was the only member of Chase Merritt;
- 25 • Paul N dominated and controlled Chase Merritt;
- 26 • Paul N. co-mingled personal funds with the funds of Chase Merritt;
- 27 * Paul N used Chase Merritt as a shield to engage in tortious activities.

28 5. Defendant PARKER FORECLOSURE SERVICES, LLC ("Parker"), is a
California limited liability company and has office in the City of Venture, County of Ventura,
California. On information and belief, Parker is doing business in the whole state of California,

6. Plaintiffs do not know the true names, capacities, or basis for liability of defendants sued as DOES 1 through 10. Plaintiff is informed and believes, and thereon alleges, that each fictitiously named defendant is in some manner liable to Plaintiff. Plaintiff sues those defendants under such fictitious names pursuant to Code of Civil Procedure Section 474 and will amend this complaint to show their true names and capacities when they have been ascertained.

JURISDICTION

7. Venue of this case is based on the fact that the Property which is being fraudulently foreclosed is located in Santa Clara County. Below is the legal description of the Property:

*All that certain Real Property in the City of Saratoga, county of Santa Clara,
State of California, described as follows:*

All of Lot 10, as shown on that certain Map of Tract No. 8917, which Map was filed for record in the Office of the Recorder of the county of Santa Clara, State of California on June 10, 1997, in Book 688 of Maps, Page(s) 31, 32 and 33.

Excepting therefrom the underground water rights without the right of surface entry as granted to San Jose Water Company by Quitclaim Deed recorded August 25, 1999 as Instrument No. 14955253 Official Records of Santa Clara County,

and also known as:

APN: 386-23-072

12329 Kosich Place, Saratoga, CA 95070,

FACTUAL BACKGROUND

8. The Living Trust was the former owner of the Property. Vinh Nguyen and Teri Nguyen are the two trustors/trustees of the Living Trust.

9. On July 28, 2011, Paul N was the creditor of a \$215,000 promissory note (the "claimed note") which is secured by a deed of trust recorded against the subject property. The claimed note provides that the obligation would be due on July 28, 2012. Attached as Exhibit 1 is a true and correct copy of the said Note, and as Exhibit 2 is a true and correct copy of the said Deed of Trust.

10. Briefly afterwards, the Trust sold the Property to Empire Investments, LLC which is a Wyoming limited liability company. As part of the purchase transaction, Empire was assigned all rights and delegated all liabilities arisen from the transaction with Paul N.

11. On August 22, 2011, the Trust made a partial payment in the amount of \$60,000

1 to Paul N. By Paul N's instruction, the check was made payable to Paul N's daughter Pauline
2 Nguyen. Attached as Exhibit 3 is a true and correct copy of the said check. On this check, in pre-
3 petition communication in March 2021, whereas Paul N claimed he did not see the back of the
4 check, he did not deny he received the check.

5 12. Later on May 21, 2012, the trustees paid Paul N a second check in the amount of
6 \$186,070.40. By Paul N's instruction, this check was made payable to Chase Merritt Fund I,
7 LLC. Attached as Exhibit 4 is a true and correct copy of the \$186,070.40 check. In pre-petition
8 communications, Paul N did not deny he had received the \$186,070.40 check. After receiving
9 the two checks that paid off the claimed \$215,000 lien plus interest, Paul N failed to keep his
10 promise and obligation to issue and record the Deed of Reconveyance.

11 13. Later when the trustees did not receive the deed of Reconveyance, in several
12 times, they tried to contact Paul N to request him to perform his obligation. However, it came to
13 light that Paul N has moved away from his residence and office, and his whereabouts was
14 unknown.

15 14. Previously, Paul had told many people that his firm Chase Merritt had 80 millions
16 in assets so it would be in great position to negotiate on loans in defect of securitization with
17 lenders/servicers for a settlement. Per Paul N, he and his firm had been performed successfully
18 for more than 200 cases for the borrowers.

19 In October 2012 when the trustees could not communicate with Paul N to follow up on
20 the status of the settlement in which he claimed that the Trust still owed him \$215,000, Empire
21 filed a complaint against Paul N. However, Empire could not locate Paul N's whereabouts to
22 serve the summons. On information and belief, other people were also looking for Paul N but he
23 just disappeared and was nowhere to be found. In January 2013, the lawsuit was dismissed
24 without prejudice.

25 15. Among the documents provided by Paul N in July 2011 was a biography that he
26 wrote as part of the 10-K Report filed by a business entity named PHI Group, Inc., in which Paul
27 N was a member of the Board of Director, to the Security & Exchange Commission ("SEC") in
28 June 2011. In this submission, Paul N's biography lists the business entities he has worked , and
the academic degrees he has achieved. Attached as Exhibit 5 is an extract from the true and
correct copy of Paul N's Biography. Having been desperately to locate Paul N, the trustees
contacted the businesses listed in Paul N's Biography filed to the SEC. These businesses denied

1 that Paul N either worked or got involved thereat. On the academic degrees he claimed, some
2 actually belonged to another person having the same name as his; and some did not recognize his
3 name. It turned out, the information Paul N represented in this biography is all untrue, faked and
4 misleading.

5 16. The trustees kept searching and looking for Paul N. Finally in Jan 2016, having
6 heard that Paul N was then back to United States from overseas and was living in Hawaii, trustee
7 Vinh Nguyen made a trip to the island to request Paul N to reconvey the Deed of Trust. Vinh
8 Nguyen was only able to speak with Paul N by phone. In the telephone conversation. Vinh
9 Nguyen told Paul N that after receiving the pay-off for the \$215,000 claim, Paul N needed to
10 execute a Reconveyance on the Deed of Trust he recorded on the Property and it was long
11 overdue. Paul N refused to comply. When Vinh Nguyen asked to meet him in person, Paul N
12 flatly refused and also refused to disclose his address, and hang up the phone.

13 17. Three years later, in January 2019, Vinh Nguyen ran into Paul N in Visalia,
14 California. Again, Vinh Nguyen requested him to sign the Deed of Reconveyance on the
15 \$215,000 claim that had been paid off. Paul did not deny he had received the money, and said he
16 would provide the Deed of Reconveyance "later."

17 18. Once again Paul N did not sign the Deed of Reconveyance as he was
18 obligated to perform. After this encounter, Paul N was nowhere to be found and was in the
19 hiding again as he did since 2012.

20 19. In March 2021, after nine long years in which it was unable to locate Paul N, all
21 of a sudden on a foreclosure website called "www.foreclosure.com" Teri Nguyen accidentally
22 saw that the subject Property was in foreclosure.

23 20. Further research reveals that a Notice of Default had been recorded by foreclosure
24 trustee Parker Foreclosure Services, LLC on 02/25/21. Attached as Exhibit 6 is a true and correct
25 copy of the said Notice of Default. The trustees of the Living Trust as well as the current
26 homeowner Empire never received any notice from anyone before Paul N and/or Parker took
27 action to wrongfully foreclosure the property.

28 21. On March 15, 2021, trustee Vinh Nguyen sent a letter to Parker in which he
notified Parker that the \$215,000 claim had been paid off, and he provided copies of the two
checks as mentioned above to prove that Paul N had receive the paid off money plus some extra
interest and asked Parker to withdraw the Notice of Default. After that, Mr. Blossomgame who is

1 the president of Parker who is also the authorized agent of Paul N, forwarded a letter from Paul
2 N's responding to Vinh Nguyen in which Paul N did not deny he had received the checks but
3 argued those were for "other business." At Vinh Nguyen's three times request in writing for the
4 details and the supporting documents for "other business," Paul N was silent, and until this
5 lawsuit if filed, Paul N still has not satisfied the said request of explaining what he meant by "

6 22. On information and belief, Plaintiffs allege that while still in hiding Paul N
7 instructed Parker to record the Notice of Default but purposely did not notify the note signers as
8 well as the Property Owner about the said notice, with the intent to ambush a fraudulent
9 foreclosure sale.

10 23. There are several problems with the foreclosure started by Defendant Paul N and
11 carried out by Defendant Parker. Beside the fact that the claimed note has been paid off to Paul
12 N before he went into hiding and refusing to sign the Deed of Reconveyance, this fraudulent
13 NOD violates California law at least on the following defects:

14 24. First, the claimed note includes this contractual language at its last paragraph:

15 *"This note is subject to Section 2966 of the Civil Code, which provides that the*
16 *holder of this note shall give written notice to the Trustor, or his successor in*
17 *interest, of prescribed information at least 90 and not more than 150 days before*
18 *any balloon payment is due."*

19 The trustors have never received from claim creditor Paul N such notice. This is
20 violation of the term of the claimed note.

21 25. Secondly, California CIV §2923.5(a)2 requires, before the foreclosure, the
22 mortgage servicer or beneficiary to contact borrower:

23 *"to assess the borrower's financial situation and explore options for the borrower*
24 *to avoid foreclosure".*

25 That kind of contact did not happen. This is a violation of CIV §2923.5(a) 2.

26 26. Third, California Homeowners Bill of Rights ("HBOR") requires the lender or
27 servicer to contact the borrower to discuss foreclosure alternatives before starting a foreclosure.
28 By ignoring this requirement and going straight to the Recorder's Office, the defendants have
committed serious violations of this law. The same HBOR allows homeowners to sue over
violations of the law, and if the court finds that the violation was intentional, reckless, or resulted

1 from willful misconduct by a servicer, it may award the borrower the greater of treble actual
2 damages or statutory damages of \$50,000.

3 27. A year after the Hawaii phone call conversation with Paul N in 2016, on 01/12/17
4 Paul N filed Chapter 13 at the Bankruptcy Court in California Central District, Case No. 8:17-
5 bk-10112-CB. On Item No. 19, at Page 6 of the Petition, for the question the court asks "*How*
6 *much do you estimate your assets to be worth?*" Paul answered "*From 0 to \$50,000.*" On
7 February 13, 2017, Paul N and his wife Kim Nguyen filed Chapter 13 again, Case No. 8:17-
8 10520. At the same No. 19 of the Petition, the answer from Paul N and his wife was the same, at
9 "0 to \$50,000." Their answers to the bankruptcy court twice that Paul N and Kim Nguyen had
10 no assets worth more than \$50,000 were consistent with Paul N's understanding that the
11 \$215,000 claim on the subject Property has been paid off and that this lien was no longer
12 qualified to be listed as an asset to him and his wife when they filed their bankruptcy twice.

13 First Cause of Action

14 **Declaratory Relief**

15 **(CCP §2010)**

16 (against Paul N and Chase Merritt Fund I)

17 28. Plaintiffs incorporate all foregoing allegations as though they are part on this
18 cause of action.

19 29. The situation as described above creates an actual controversy involving
20 justiciable questions relating to the parties' rights of obligations.

21 30. This is a proper subject of declaratory relief.

22 31. Therefore, Plaintiff Empire is entitled to a declaration from the court that the note
23 in subject has been paid off.

24 Second Cause of Action

25 **Cancellation of Instruments**

26 (against all Defendants)

27 32. Plaintiffs incorporate all foregoing allegations as though they are part on this
28 cause of action.

1 33. Paul N's Deed of Trust creates a cloud in title and the cloud has caused injury to
2 Plaintiff Empire in that it could not obtain a loan on the Property and that it could not sell the
3 Property.

4 34. Unless the Deed of Trust is reconveyed, Plaintiff Empire will continue to suffer
5 the injury as alleged above.

6 35. Thus, Plaintiff Empire is entitled to Judgment reconveying the Deed of Trust in
7 subject.

8 Third Cause of Action
9 **Breach of Contract**
 (below Paul N and Chase Merritt)

10 36. Plaintiffs incorporate all foregoing allegations as though they are part on this
11 cause of action.

12 37. The claimed note of \$215,000 is a contract.

13 38. As the parties agreed, and as it was stated in the claimed note, before the
14 foreclosure can begin, the claimed creditor must "*give written notice to the Trustor, or his*
15 *successor in interest, of prescribed information at least 90 and not more than 150 days before*
16 *any balloon payment is due.*" As stated above, the Trust never received any written notice about
17 the claimed note from Paul N before he recorded the NOD.

18 39. By purposely ignoring the requirement on written notice to the Trust or its
19 successor, in order to ambush the homeowner as well as the trustees with a fraudulent
20 foreclosure, claimed creditor Paul N has breached the said term provided in the contract.

21 40. The foreclosure goes on this wrongfully and fraudulent determined basis.

22 41. Plaintiff Empire is entitled to an injunction on the foreclosure action by
23 defendants Paul N and Parker.

24 Fourth Cause of Action
25 **Wrongful Foreclosure**
 (CIV §2923.5)
 (against All Defendants)

26 42. Plaintiffs incorporate all foregoing allegations as though they are part on this
27 cause of action.
28

1 43. The Defendants violate California CIV §2923.5(a)2 which requires that, before
2 the foreclosure, the mortgage servicer or beneficiary to contact borrower "*to assess the*
3 *borrower's financial situation and explore options for the borrower to avoid foreclosure*".

4 44. Therefore Plaintiff Empire is entitled to an injunction on the foreclosure while
5 waiting for the declaratory relief to pay out in court.

6
7 Fifth Cause of Action
8 Wrongful Foreclosure
9 **(California Homeowner Bill of Rights)**
10 **(against All Defendants)**

11 45. Plaintiffs incorporate all foregoing allegations as though they are part on this
12 cause of action.

13 46. The Defendants also violate California Homeowner Bills of Rights which
14 requires the lender/servicer to contact the borrower to discuss foreclosure alternatives before
15 starting a foreclosure.

16 47. During the pre-petition process before this complaint is filed, Plaintiffs tried to
17 explain to Defendant Parker that the Notice of Default is defective because (a) the claimed note
18 has been payoff/settled, (b) its recording violates the term of the claimed note; (c) it violates CIV
19 §2923.5; and (d) it violates the California Bill of Rights, and requested Parker to withdraw the
20 NOD. Whereas Mr. Blossomgame of Parker understood well the explanation by the trustee, he
21 aggressively declared Parker would move on with the foreclosure. Parker's conduct is therefore
22 intentional, reckless, and willful, and this will bring the violation squarely qualify for the
23 \$50,000 sanction award by the court.

24 48. Plaintiff Empire, therefore, is entitled to an injunction on the foreclosure action.

25 **WHEREFORE, PLAINTIFFS PRAY FOR:**

26 (a) Injunction to enjoin the foreclosure to proceed. Plaintiffs will file an Application
27 For a Temporary Restraining Order which is follows by an Order to Show Cause for this
28 purpose.

 (b) Declaration from the Court declaring that the note of \$215,000 signed by trustees of
Nguyen-Ha Living Trust Dated 12/10/04 has been paid off.

1 (c) Order that Defendant Parker Foreclosure Services, LLC withdraw the Notice of
2 Default and record a Deed of Reconveyance unto Plaintiffs thereto all right, title and interest
3 Recorder as instrument No. 21291920 on 08/25/2011.

4 (d) Compensatory damages as presented by Plaintiffs at trial;

5 (e) Order rewarding Plaintiff Empire \$50,000 as provided in the California Homeowner
6 Bill of Rights to be responsible by the Defendants.

7 (f) Other remedies as the Court see fit.

8 **NEWTON LAW GROUP**

9
10
11 Dated: April 7, 2021



by VINCE D. NGUYEN, Attorney for
Plaintiffs Empire Investments, LLC
& Nguyen-Ha Living Trust Dated 12/10/04

Exhibit 1

Escrow No. _____

Title Order No. _____

INSTALLMENT NOTE - INTEREST INCLUDED
(Balloon Payment)

\$ 215,000.00 San Jose, California July 28, 2011
FOR VALUE RECEIVED, we, or either of us, promise to pay in lawful money of the United States of America, to
Paul K. Nguyen

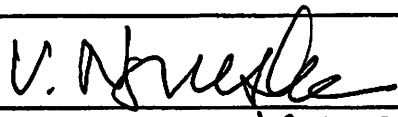
or order, at place designated by payee, the principal sum of \$215,000.00
two-hundred-fifteen-thousands dollars,
with interest in like lawful money from August 28, 2011 at 7.00 per cent
per annum on the amounts of principal sum remaining unpaid from time to time.
Principal and interest payable in _____ installments of _____
interest only
or more each, on the 28th day of each and every month beginning on the
28th day of August, 2011 and continuing until July 28, 2012
at which time the entire unpaid balance of principal and interest hereunder shall be due and payable.

Each payment shall be credited first on interest then due and the remainder of principal; and interest shall thereupon cease upon the principal so credited. Should default be made in payment of any installment of principal or interest when due the whole sum of principal and interest shall become immediately due at the option of the holder of this note. If action be instituted on this note I promise to pay such sum as the Court may fix as attorney's fees. This note is secured by a Deed of Trust in which the maker of this note is referred to as "Trustor".

THE FOLLOWING PARAGRAPH IS ONLY APPLICABLE ON ONE TO FOUR RESIDENTIAL UNITS:

This note is subject to Section 2966 of the Civil Code, which provides that the holder of this note shall give written notice to the Trustor, or his successor in interest, of prescribed information at least 90 and not more than 150 days before any balloon payment is due.


TERI H. NGUYEN, Trustee


VINH D. NGUYEN, Trustee

DO NOT DESTROY THIS NOTE

When paid, this note, with Deed of Trust securing same, must be surrendered to Trustee for cancellation before reconveyance will be made.

Exhibit 2

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

NAME **PAUL K. NGUYEN**
ADDRESS **8700 Warner Ave., Suite 200**
CITY **Fountain Valley**
STATE&ZIP **CA, 92708**
Title Order No. _____ Escrow No. _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST

STATE OF CALIFORNIA

FHA CASE NO.

Loan Number:

This DEED OF TRUST ("Security Instrument") is made on this 28th day of July 2011.

The trustor is: Nguyen-Ha Living Trust dated December 10, 2004, ("Borrower").

The trustee is: Old Republic Title Company ("Trustee").

The beneficiary is Paul K. Nguyen
which is organized and existing under the laws of THE STATE OF CALIFORNIA and whose address is ("Lender").
Borrower owes Lender the principal sum of Dollars(U.S. \$215,000.00).

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on July 28, 2012.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; the payment of all other sums, with interest, advanced under paragraph 6 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Santa Clara County, California:

which has the address of 12329 Kosich Pl., Saratoga, CA 95070

More particularly described as:

SEE LEGAL DESCRIPTION ATTACHED HEREIN AS EXHIBIT "A".

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by his Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

2. Monthly payments of Taxes, Insurance and Other Charges Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required under Paragraph 4. In any year which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either (i) a sum for the annual mortgage insurance premium to be paid by Lender to the

Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. Section 2601 et seq. and implementing regulations, 24 CFR Part 3500, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA Lender shall deal with the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make the shortage or deficiency as permitted by RESPA.

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower renders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

3. Application of Payments All payments under Paragraphs 1 and 2 shall be applied by Lender as follows:

FIRST, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;

SECOND, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

THIRD, to interest due under the Note;

FOURTH, to amortization of the principal of the Note;

FIFTH, to late charges due under the Note.

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless the Secretary determines this requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lenders of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

6. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

7. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in Paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

8. **Fees.** Lender may collect fees and charges authorized by the Secretary.

9. **Grounds for Acceleration of Debt.**

(a) **Default.** Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or
- (ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) **Sale Without Credit Approval.** Lender shall, if permitted by applicable law and with the prior approval of the Secretary, require immediate payment in full of all the sums secured by this Security Instrument if:

- (i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent) by the Borrower, and
 - (ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.
- (c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events
- (d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.
- (e) **Mortgage Not Insured.** Borrower agrees that should this Security Instrument and the note secured thereby not be eligible for insurance under the National Housing Act within 60 days from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 days from the date hereof, declining to insure this Security Instrument and the note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary

10. **Reinstatement** Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude the foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. **Borrower Not Released; Forbearance by lender Not a Waiver.** Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 9.b. Borrower's covenants and agreements shall be, joint and several. Any Borrower who signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's, interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Notices Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

14. Governing Law; Severability. This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

15. Borrower's Copy. Borrower shall be given one conformed copy of this Security Instrument.

16. Assignment of Rents Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs; each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph 16.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If lender invokes the power of sale, lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located, lender or Trustee shall mail copies of the notice as prescribed by applicable law to Borrower and to the other persons prescribed by applicable law.

Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds, of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

18. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

19. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

20. **Request for Notices.** Borrower requests that copies of the notices of default and sale be sent to Borrower's address which is the Property Address.

21. **Statement of Obligation Fee.** Lender may collect a fee not to exceed the maximum amount permitted by law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the and agreements of this Security Instrument as if the rider(s) were in a part of this Security Instrument. [Check applicable boxes]].

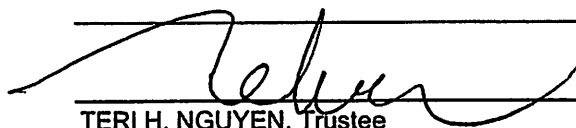
_____ Condominium Rider _____ Graduated Payment Rider _____ Growing Equity Rider

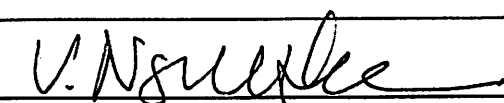
_____ Planned Unit Development Rider _____ Other [Specify]

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in pages 1 through 6 of this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witness:

Witness:


TERI H. NGUYEN, Trustee

(Seal)  (Seal)
Borrower VINH D. NGUYEN, Trustee Borrower

(Seal) _____ (Seal)
Borrower Borrower

(Seal) _____ (Seal)
Borrower Borrower

STATE OF CALIFORNIA }
COUNTY OF Santa Clara } SS

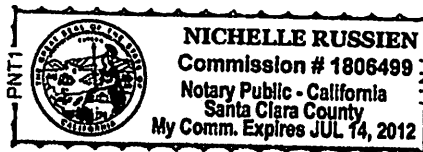
On August 4th, 2011 before me,
Nichelle Russien
a Notary Public in and for said County and State, personally
appeared Teri H. Nguyen and
Vinh D. Nguyen

who proved to me on the basis of satisfactory evidence to be the
person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the
State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature 



FOR NOTARY SEAL OR STAMP

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Dated: _____

EXHIBIT "A"

All that certain Real Property in the City of Saratoga, County of Santa Clara, State of California, described as follows:

All of Lot 10, as shown on that certain Map of Tract No. 8917, which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California on June 10, 1997, in Book 688 of Maps, Page(s) 31, 32 and 33.

Excepting therefrom the underground water rights, without the right of surface entry as granted to San Jose Water Company by Quitclaim Deed recorded August 25, 1999 as Instrument No. 14955253 Official Records of Santa Clara County.

Exhibit 3

TERI HA NGUYEN
12329 KOSICH PL
SARATOGA, CA 95070-3575

88-2287/1211

172

DATE

8/22/11

PAY TO THE
ORDER OF

Pauline Nguyen \$60,000
Sixty thousand and 00/100

DOLLARS



All of us serving you™

MEMO

AWL (Kosich)

[Signature]

⑆121122676⑆ 153468931248⑈0172

Exhibit 4

VERIFY THE AUTHENTICITY OF THIS MULTITONE SECURITY DOCUMENT. CHECK BACKGROUND CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

Comerica Bank

CASHIER'S CHECK

NOTICE TO CUSTOMERS: The purchase of an indemnity bond will be required before any cashier's check issued by this bank will be replaced or refunded in the event it is lost, stolen, or destroyed.

DATE 5/21/12

*****186,070 DOLLARS AND 40 CENTS*****

\$ *****186,070.40

Pay TO THE ORDER OF ***** CHASE MERRITT FUND I LLC *****

00167/86211 000139248

REMITTER

Authorized Signature

Drawer: Comerica Bank

000139248

003752 1211

⑈000139248⑈ ⑆1211337522⑆ 1894147642⑈



CASHIER'S CHECK

Purchaser's Receipt

NOTICE TO CUSTOMERS: The purchase of an indemnity bond will be required before any cashier's check issued by this bank will be replaced or refunded in the event it is lost, stolen, or destroyed.

*****186,070 DOLLARS AND 40 CENTS*****

5/21/12

Dollars

*****186,070.40

PAY TO THE ORDER OF

***** CHASE MERRITT FUND I LLC *****

00167/86211 000139248

Drawer: Comerica Bank

Exhibit 5

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to provide reasonable assurance that the information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and accumulated and communicated to management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, at the direction of our chief executive officer/acting chief financial officer, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(f) under the Exchange Act). Based on that evaluation and the identification of material weaknesses in our internal control over financial reporting as described in this Item 9A below under the heading *Management's Report on Internal Control over Financial Reporting*, our management concluded that our disclosure controls and procedures were not effective as of June 30, 2011.

Notwithstanding these material weaknesses, management has concluded that the consolidated financial statements included in this report present fairly, in all material respects, PHI Group's financial position and results of operations, and cash flows for the periods presented in conformity with U.S. generally accepted accounting principles ("GAAP").

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting at PHI Group. Internal control over financial reporting is a process designed by or under the supervision of our chief executive officer/acting chief financial officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with GAAP. A company's internal control over financial reporting includes policies and procedures that (1) pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, transactions and dispositions of our assets, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that receipts and expenditures are being made only in accordance with authorizations of our management and board of directors, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Our management assessed the effectiveness of PHI Group's internal control over financial reporting as of June 30, 2011. In making this assessment, our management used the criteria established in the *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

In connection with the evaluation of our disclosure controls and procedures, our management team attempted to identify any "material weakness" in our internal control environment. We defined "material weakness" as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We defined "significant deficiency" as a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of our financial reporting.

We identified on a preliminary basis the following material weaknesses in internal control over financial reporting:

- Ineffective control over the financial statements closing process;
- Insufficient personnel with an appropriate level of accounting knowledge, experience with the Company and/or industry, and training in the application of GAAP;
- Lack of segregation of duties; and
- Inadequate monitoring of non-routine and non-systematic transactions.

Our independent registered public accounting firm, Dave Banerjee, CPA, has not issued a report on our internal control over financial reporting as of June 30, 2011.

ITEM 9B. OTHER MATTERS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS, COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The following table sets forth certain information as of June 30, 2011, with respect to the Directors and Executive Officers of the Company.

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>
Henry D. Fahman 57		Chairman of the Board, President, Acting Chief Financial Officer
Tina T. Phan	44	Treasurer, Secretary
Tam T. Bui 50		Director
Frank Hawkins 70		Director
Paul K. Nguyen 45		Director
Lawrence G. Olson 74		Director

Directors are elected at the annual meeting of shareholders and hold office until the following annual meeting and until their successors are elected and qualified. All Executive Officers serve at the discretion of the Board of Directors. The Company's securities are not registered under Section 12(g) of the Exchange Act. Accordingly, the Directors and Executive Officers of the Company are not required to file reports under Section 16(a) of that act.

Henry D. Fahman has been President and Chairman of the Board of PHI Group, Inc. since January 14, 2000, and is currently Acting Financial Officer of the Company. Mr. Fahman served as President and Chairman of the Board of Providential Securities, Inc. from its inception in October 1992 to October 2000. He holds a B.S., magna cum laude, in business administration from the University of California at Berkeley, with emphasis in finance and economic analysis and policy, and is a graduate of the Advanced Management Program (AMP166) from Harvard Business School. He has also attended other Executive Education programs at Harvard Business School and Stanford University, including Mergers and Acquisitions, Creating Competitive Advantage, and Advanced General Management. Previously, he served as a Resettlement Coordinator for the United Nations High Commissioner for Refugees. Mr. Fahman also serves as Executive Chairman of Philand Ranch Limited. Mr. Fahman is the husband of Tina T. Phan, our Secretary and Treasurer.

Tam Bui has been a Director of the Company since April 10, 2009 and served as a Chief Technology Officer from May 2002 to April 10, 2009. Mr. Bui holds Bachelor and Master of Science degrees from the University of Minnesota and has attended continuing Education at the University of California, Los Angeles. He has over 18 years of experience with Honeywell, Inc. and TRW as Senior Production Engineer/Computer Application Engineer, Project Manager, Department Manager, Program Manager and Implementation Manager. He was responsible for the implementation of LAPD Emergency Command Control Communications Systems. He has a broad knowledge and experience in the areas of information technology, intranet/internet technology, inventory management, material resource planning, enterprise resource planning, human resource management, and international business.

Frank Hawkins, Director has been a Director of the Company since April 10, 2009 and Mr. Hawkins is a founder and CEO of Hawk Associates with nearly 30 years of award-winning investor relations experience. Mr. Hawkins has earned the wide respect of Wall Street's investment community for straight talk and integrity. He was formerly vice president/corporate relations and planning and head of the investor relations program at Knight-Ridder, Inc. in Miami. Mr. Hawkins started his career as an agent handler in clandestine collection operations for the Defense Intelligence Agency in Germany and went on to become a foreign and war correspondent, international businessman, senior corporate executive and president of the Access Asia Group in Hong Kong. He has lived in eight countries. He has been involved in stock listings in Tokyo and Frankfurt and company presentations in London, Zurich, Geneva and Singapore. Fluent in German, he is a graduate of Cornell University and author of "Ritter's Gold," an adventure novel published in several languages by the New American Library. He is a member of the Association of Former Intelligence Officers and the Audubon Society and is listed in Who's Who in America and Who's Who in the World. He serves on the board of the Florida Keys Electric Cooperative.

Paul Nguyen has been a Director of the Company since April 10, 2009 and is currently Senior Partner of Nguyen & Larsen, LLP, a law firm, and Chief Executive Officer of Summit Medical Group, Inc. in Orange County, CA. Mr. Nguyen received a MS in aeronautical engineering from California Institute of Technology in 1984 and was named Research Scientist by NASA from 1984-1987. After graduating from the Harvard Business School JD/MBA program in 1991, Mr. Nguyen served as Institutional Investment Associate from 1991-1992 and Managing Director from 1992-1993 for JP Morgan in New York and Tokyo. Mr. Nguyen served as Senior Associate attorney for Baker & McKenzie in Ha Noi, Vietnam from 1993-1995. In 2000, Mr. Nguyen received a MD from Loma Linda School of Medicine and was board certified in plastic surgery in 2005.

Lawrence G. Olson became a director of PHI Group, Inc. in January 2008. Mr. Olson has been a director of Santa Fe Gold Corp., a public company (OTCBB:SGFE), since March 1999 in connection with the Company's acquisition of Arizona Mica Properties, Inc., a private Arizona corporation owned by Mr. Olson and his partners. He has held the position of Chairman of Santa Fe Gold's Board of Directors since October 2000, and until October 2003 also held the positions of President and Chief Executive Officer. Mr. Olson has owned and operated a successful business, Olson Precast of Arizona Inc., since 1973. Mr. Olson received a B.S. Degree in Civil Engineering from the University of Southern California.

Tina T. Phan has been a Treasurer since April 10, 2009. She served as a Director and Secretary of the Company from January 2000 to April 10, 2009 and was Vice President of Operations of Providential Securities, Inc. from 1995 to 2000. Mrs. Phan holds a B.S. in management information system from California State University, Los Angeles. Currently Mrs. Phan serves as Treasurer and Secretary of the Company. Mrs. Phan is the wife of Henry D. Fahman.

ITEM 11. EXECUTIVE COMPENSATION

(a) Any compensation received by officers, directors, and management personnel of the Company will be determined and approved from time to time by the Board of Directors of the Company as it deems appropriate and reasonable. Officers, directors, and management personnel of the Company will be reimbursed for any out-of-pocket expenses incurred on behalf of the Company.

Except for non-cash payments mentioned in this report, there was no monetary compensation paid to any officers of the Company during the year ended June 30, 2009.

(b) There are no annuity, pension or retirement benefits proposed to be paid to officers, directors, or employees of the Company in the event of retirement at normal retirement date as there is no existing plan provided for or contributed to by the Company.

(c) All members of the Company's Board of Directors, whether officers of the Company or not, may receive an amount yet to be determined annually for their participation in meetings of the Board and will be required to attend a minimum of four meetings per fiscal year. The Company reimburses all expenses for meeting attendance or out of pocket expenses connected directly with their Board participation.

(d) On July 10, 2000 the Company adopted a Stock Option and Incentive Plan (the "Plan") which provides for the issuance of up to a maximum of 16 million shares of the Company's common stock to officers, employees and non-employee directors at the sole discretion of the board of directors. On August 10, 2000 the Company granted fully vested 14 million options under the Plan to officers, directors and employees at an exercise price of \$.50 per share. All the options were exercisable on July 1, 2001 and would expire on December 31, 2002. On June 15, 2002, the Company extended the expiration date of these employee stocks to December 31, 2005. As of the date of this report, there have been no options exercised and all of these options have been forfeited.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of shares of the Company's common stock as of June 30, 2011 (212,881,356 shares issued and outstanding,) by (i) all shareholders known to the Company to be beneficial owners of more than 5% of the outstanding common stock; and (ii) all directors and executive officers of the Company, and as a group:

<u>TITLE OF CLASS</u>	<u>NAME AND ADDRESS OF BENEFICIAL OWNER, JR.</u>	<u>AMOUNT OF BENEFICIAL OWNERSHIP</u>	<u>PERCENT OF CLASS</u>
Common Stock	Henry D. Fahman 17011 Beach Blvd., Suite 1230 Huntington Beach, CA 92647	28,160,594 (2)	13.23%
Common Stock	Tina T. Phan (3) 17011 Beach Blvd., Suite 1230 Huntington Beach, CA 92647	16,579,646	7.79%

Exhibit 6

24846754

**Regina Alcomendras
Santa Clara County - Clerk-Recorder
02/25/2021 08:30 AM**

**Titles: 1 Pages: 2
Fees: \$103.00
Tax: \$0
Total: \$103.00**

**WFG National-Default Services
RECORDING REQUESTED BY**

same as below

AND WHEN RECORDED MAIL TO

**Parker Foreclosure Services, LLC
PO Box 2940
Ventura, CA 93002-2940
386-23-072**

Space above this line for recorder's use only

Trustee Sale No. 2104 Loan No. Title Order No. 18127452AD

**NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST
IMPORTANT NOTICE**

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS, IT MAY BE SOLD WITHOUT ANY COURT ACTION, and you may have the legal right to bring your account in good standing by paying all of your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account, which is normally five business days prior to the date set for the sale of your property. No sale date may be set until approximately 90 days from the date this notice of default may be recorded (which date of recordation appears on this notice).

This amount is \$362,026.96 as of 02/24/2021 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property, or pay other obligations as required in the note and deed of trust or mortgage, the beneficiary or mortgagee may insist that you do so in order to reinstate your account in good standing. In addition, the beneficiary or mortgagee may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes, and hazard insurance premiums.

Upon your written request, the beneficiary or mortgagee will give you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your beneficiary or mortgagee may mutually agree in writing prior to the time the notice of sale is posted (which may not be earlier than three months after this notice of default is recorded) to, among other things, (1) provide additional time in which to cure the default by transfer of the property or otherwise; or (2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in this paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your creditor permits a longer period, you have only the legal right to stop the sale of property by paying the entire amount demanded by your creditor.

Trustee Sale No. 2104 Loan No. Title Order No.

To find out the amount you must pay, to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: Parker Foreclosure Services, LLC, PO Box 2940, Ventura, CA 93002, 805 641-9292, FAX 805 666-1452

If you have any questions, you should contact a lawyer or the governmental agency which may have insured your loan.

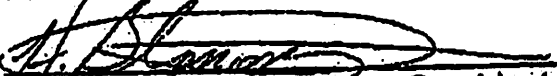
Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

Remember, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT TAKE PROMPT ACTION. NOTICE IS HEREBY GIVEN THAT: Parker Foreclosure Services, LLC is either the original trustee, the duly appointed substituted trustee, or acting as agent for the trustee or beneficiary under a Deed of Trust dated 08/25/2011, executed by Vinh D. Nguyen and Teri H. Nguyen, as Trustees of the Nguyen-Ha Living Trust Dated December 10, 2004, as trustor, to secure obligations in favor of Paul K. Nguyen, as Beneficiary Recorded on 08/26/2011 as Document #21291910 of official records in the Office of the Recorder of Santa Clara County, California, as more fully described on said Deed of Trust. Including the note(s) for the sum of \$215,000.00 that the beneficial interest under said Deed of Trust and the obligations secured thereby are presently held by the beneficiary; that a breach of, and default in, the obligations for which said Deed of Trust is security has occurred in that the payment has not been made of: THE INSTALLMENT(S) OF INTEREST AND/OR PRINCIPAL AND INTEREST WHICH HAS/HAVE BECOME DUE AND ALL SUBSEQUENT INSTALLMENTS, TOGETHER WITH ALL LATE CHARGES, ADVANCES TO SENIOR LIENS, INTEREST, INSURANCE, TAXES, ASSESSMENTS AND LEGAL FEES PLUS TRUSTEE'S FEES AND COSTS. WRITTEN EVIDENCE THAT TAXES AND ALL SENIOR ENCUMBRANCES ARE CURRENT MUST BE PROVIDED. ANY DELINQUENT TAXES AND/OR INSURANCE PREMIUMS TO BE ADVANCED BY THE BENEFICIARY AFTER THE RECORDING OF THE NOTICE OF DEFAULT. PLUS FAILURE TO PAY REAL ESTATE TAXES AND/OR PAYMENTS TO PRIOR LIEN HOLDERS AS REPORTED DELINQUENT. THE UNPAID PRINCIPAL BALANCE OF \$215,000.00 PLUS ACCRUED INTEREST WHICH BECAME DUE ON 07/28/2012. THE INSTALLMENT OF INTEREST WHICH BECAME DUE 08/28/2011 AND ALL SUBSEQUENT INSTALLMENTS, TOGETHER WITH ALL LATE CHARGES.

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration and Demand for Sale, and has deposited with said duly appointed Trustee, such Deed of Trust and all documents evidencing the obligations secured thereby, and has declared and does hereby declare all sums secured thereby immediately due and payable and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

DATE: 02/24/2021

Parker Foreclosure Services, LLC


Hermond L. Blossomgame, President