

Trust

Definition: A relationship created at the direction of an individual, in which one or more persons hold the individual's property subject to certain duties to use and protect it for the benefit of others. An entity created to hold assets for the benefit of certain persons or entities, with a trustee managing the trust (and often holding title on behalf of the trust).

A Trust is a contract between 3 parties that describes the disposition of property as the subject matter of the contract. The Trust splits the title to property into two different entities.

The trustee holds Legal Title and the Beneficiary holds Equitable Title

Trustee = Legal Title Holder of property/assets in the Trust

Trustee = Administrator = Guardian = Fudiciary = Custodian

The Trustee is the party who receives the contract and has a **Controlling Interest** in the Trust as an administrator on behalf of the Grantor.

The Trustee carries out the terms and conditions of the Trust (the contract) to protect the property/assets of the Trust. The Trustee is serving as the Legal Title Holder because the Trustee controls the property and distributes any benefits or equity to the Beneficiary.

Grantor = Settlor = Trustor = Donor = Benefactor

The Grantor has a **Capital Interest** in the Trust and is the creator of the Trust.

The Grantor is the party that makes the offer to contract and furnishes the consideration to transfer property/assets into the Trust.

The Grantor specifies the terms/conditions of the Trust contract to steer the conduct of the Trustee and the rights of the Beneficiary.

Property = Assets = Estate = Collateral

Synonyms = Assurance + bond + endorsement + guarantee + pledge + promise + security + surety + warrant + wealth

Important Note: Equity will not allow a trust to fail for want of a trustee - If there is no trustee, whoever has legal title to the trust property will be considered the trustee. Otherwise, a court may appoint a trustee.

Beneficiary = Equity Title Holder of property/assets in the Trust

Important Note: Before entering a courtroom or even opening a postal article in the mail, investigate if a concealed Trust is secretly at hand. Identify the players and their positions. Determine who is the executor (executioner) of the will and the grantor/trustee/beneficiary of the trust. In most cases the roles can be switched by default and in most cases the trustee is the party or player to cop the bill. Like a chess board, know the function of each piece before playing the game. The legal profession and law society have gone to great lengths to keep remedy exclusive and out of reach from Joe average.

Beneficiary = Heir = Successor = Inheritor = Recipient

The Beneficiary has an **Equitable Interest** in the Trust and is the party that gets the use of and/or possession of the property/assets in the Trust.

Important Note: The Trustee must hold Legal Title and the Beneficiary must hold Equitable Title. Neither party can hold both legal and equitable title at the same time. If a party does hold both Titles, it is not a Trust. Holding both is called an Allodial Title.

