

- **Trust, n. 1.** The right, enforceable solely in equity, to the beneficial enjoyment of property to which another person holds the legal title; a property interest held by one person (the trustee) at the request of another (the settlor) for the benefit of the third party (the beneficiary). For the trust to be valid, it must involve specific property, reflect the settlor's intent, and be created for a lawful purpose. The two primary types of trusts are private trusts and charitable trusts. **2.** A fiduciary relationship regarding property and charging the person with title to the property with equitable duties to deal with it for another's benefit; the confidence placed in a trustee, together with the trustee's obligations toward the property and the beneficiary. A trust arises as a result of a manifestation of an intention to create it.
- **Charitable trust.** A trust created to benefit a specific charity, specific charities, or the general public rather than a private individual or entity. Charitable trusts are often eligible for favorable tax treatment. Also termed public trust; charitable use.
- **Active trust.** A trust in which the trustee has some affirmative duty of management or administration besides the obligation to transfer the property to the beneficiary. – Also termed express active trust; special trust; operative trust.
- **Passive trust.** A trust in which the trustee has no duty other than to transfer the property to the beneficiary. – Also termed dry trust; general trust; nominal trust; simple trust; naked trust; ministerial trust; technical trust.
- **Grantor trust.** A trust in which the settlor retains control over the trust property or its income to such an extent that the settlor is taxed on the trust's income. An example is a revocable trust.
- **Private trust.** A trust created for the financial benefit of one or more designated beneficiaries rather than for the public benefit; an ordinary trust as opposed to a charitable trust. Three elements must be present for a private trust: (1) the demonstrated intent of the settlor, (2) trust property (as res), and (3) a certain beneficiary capable of enforcing the trust.
- **Secret trust.** An instrument, usually a will that appears to give an absolute gift to another although the donee has orally agreed with the grantor that he is to use the property for the benefit of some third party. Courts admit evidence of the promise to prevent unjust enrichment and enforce it by imposing the remedy of a constructive trust upon the reneging "trustee."
- **Company. 1.** A corporation – or, less commonly, an association, partnership, or union – that carries on a commercial or industrial enterprise. **2.** A corporation, partnership, association, joint-stock company, trust, fund, or organized group of persons, whether incorporated or not, and (in an official capacity) any receiver, trustee in bankruptcy, or similar official, or liquidating agent, for any of the foregoing.
- **Association. 1.** The process of mentally collecting ideas, memories, or sensations. **2.** A gathering of people for a common purpose; the persons so joined. **3.** An unincorporated organization that is not a legal entity separate from the persons who compose it.
- **Person. 1.** A human being. – Also termed natural person. **2.** The living body of a human being **3.** An entity (such as a corporation) that is recognized by law as having the rights and duties of a human being. In this sense, the term includes partnerships and other associations, whether incorporated or unincorporated.
- **Entity.** An organization (such as a business or a governmental unit) that has a legal identity apart from its members.