

SUMMARY TABLE OF CONTENTS

FOREWORD TO THE FIRST EDITION *xiii*

PART ONE INTRODUCTION *1*

CHAPTER 1: An Introduction to the Law of Trusts *3*

CHAPTER 2: Powers *19*

PART TWO EXPRESS TRUSTS *35*

CHAPTER 3: The Creation of Express Trusts *37*

CHAPTER 4: Purpose Trusts *56*

CHAPTER 5: Ending or Changing a Trust *76*

PART THREE TRUSTS ARISING BY THE OPERATION OF LAW *99*

CHAPTER 6: Resulting Trusts *101*

CHAPTER 7: Constructive Trusts *113*

PART FOUR THE TRUSTEE *133*

CHAPTER 8: The Appointment, Retirement, and Removal of Trustees *135*

CHAPTER 9: Duties of Trustees *142*

CHAPTER 10: The Powers and Rights of Trustees *157*

CHAPTER 11: Breach of Trust *167*

CHAPTER 12: Conclusion *181*

TABLE OF CASES *185*

INDEX *193*

ABOUT THE AUTHORS *197*

DETAILED TABLE OF CONTENTS

FOREWORD TO THE FIRST EDITION *xiii*

PART ONE: INTRODUCTION *1*

CHAPTER 1:

AN INTRODUCTION TO THE LAW OF TRUSTS *3*

A. Understanding Trust Law *3*

B. An Introduction to the Trust Concept *5*

C. History and Background *6*

1) The Beginning *6*

2) Personal Rights Elevated to Proprietary Status *8*

3) Abolition of the Use *9*

4) The Trust *9*

D. Trusts, Fiduciaries, and Other Legal Relationships *10*

1) Fiduciaries *10*

2) Agency *11*

3) Contracts *12*

4) Debt *12*

E. Equitable Remedies and Maxims *13*

1) Equitable Remedies *13*

2) Equitable Maxims *15*

F. Trusts in Quebec *17*

Further Readings *18*

CHAPTER 2:
POWERS 19

- A. Introduction 19
 - B. Powers 20
 - C. Powers of Appointment 22
 - D. Obligations of a Donee of a Power of Appointment 26
 - E. Rights of Objects of a Power of Appointment 30
 - F. Creating a Valid Power of Appointment 31
- Further Readings 33

PART TWO: EXPRESS TRUSTS 35

CHAPTER 3:
THE CREATION OF EXPRESS TRUSTS 37

- A. Introduction 37
- B. Capacity 37
- C. The Three Certainties 38
- D. Constitution of Trusts 45
- E. Formalities 48
- F. Limitations on the Creation of Trusts 51
 - 1) The Objects of the Trust Are Illegal 51
 - 2) The Trust Imposes Invalid Conditions 52
 - a) Conditions Contrary to Public Policy 52
 - b) Conditions Impossible of Performance 54
 - c) Uncertain Conditions 54

CHAPTER 4:
PURPOSE TRUSTS 56

- A. Introduction 56
- B. Charitable Trusts 58
 - 1) The Historical Approach 61
 - a) Within an Accepted Category 62
 - b) Public in Nature 64
 - c) Of Benefit to Society 65
 - d) Exclusively Charitable in Purpose 65
 - e) Without Political Purposes 66

- 2) A New Approach 66
- C. Non-Charitable Purpose Trusts 67
 - 1) *Quistclose* Trusts 71
- D. The Relationship between Charitable and Non-Charitable Purpose Trusts 72
- E. Unincorporated Associations 72

CHAPTER 5: ENDING OR CHANGING A TRUST 76

- A. Introduction 76
- B. Termination of the Trust 77
 - 1) Revocation by the Settlor 77
 - 2) The Rule in *Saunders v. Vautier* 81
 - a) Pension Trusts 84
 - 3) Distribution 85
 - 4) Setting the Trust Aside 85
- C. Alteration or Amendment of the Trust 86
 - 1) Through the Trust Instrument 86
 - 2) At Common Law 88
 - 3) Under Statute 90
- D. Variation of the Trust 91

Further Readings 97

PART THREE: TRUSTS ARISING BY THE OPERATION OF LAW 99

CHAPTER 6: RESULTING TRUSTS 101

- A. Introduction 101
- B. Classic Resulting Trust Situations 105
 - 1) Failure of an Express Trust 106
 - a) Total Failure of the Express Trust 106
 - b) Partial Failure of the Express Trust 107
 - 2) Purchase in the Name of Another 108
 - 3) Voluntary Transfer into the Name of Another 108
- C. The Presumptions of Resulting Trust and Advancement 109

Further Readings 112

CHAPTER 7:
CONSTRUCTIVE TRUSTS 113

A. Introduction 113

B. Constructive Trusts: Remedy or Cause of Action? 116

C. Recognized Applications of Constructive Trusts 117

1) Gains by Fiduciaries 117

2) Strangers as Constructive Trustees 121

a) Trustees *de Son Tort* 123

b) “Knowing Assistance” to a Trustee in a Misapplication of Trust Property 124

c) “Knowing Receipt” of Trust Property 127

3) Cohabitation Cases 130

Further Readings 131

PART FOUR: THE TRUSTEE 133

CHAPTER 8:
THE APPOINTMENT, RETIREMENT, AND REMOVAL
OF TRUSTEES 135

A. Introduction 135

B. Appointment 136

1) Introduction 136

2) Non-Judicial Appointments 136

3) Court-Appointed Trustees 138

4) Number of Trustees 138

C. Retirement 139

D. Removal 140

Further Readings 141

CHAPTER 9:
DUTIES OF TRUSTEES 142

A. Introduction 142

B. Powers and Duties 143

C. Delegation of Duties 147

- D. Investment of Trust Funds 148
- E. Duty to Act Impartially 150
- F. Duty to Account 153
- G. Duty to Provide Information 153
- Further Readings 156

CHAPTER 10:

THE POWERS AND RIGHTS OF TRUSTEES 157

- A. Introduction 157
- B. Administrative Powers 158
 - 1) Generally 158
 - 2) Statutory Powers 160
 - 3) Power of Investment 160
- C. Dispositive Powers 161
 - 1) Generally 161
 - 2) Power of Maintenance 162
 - 3) Power of Advancement 162
- D. Rights of Trustees 163
 - 1) Payment 163
 - 2) Reimbursement 164
 - 3) Set Off 166

Further Readings 166

CHAPTER 11:

BREACH OF TRUST 167

- A. Introduction 167
- B. Civil Liability of Trustees 168
 - 1) Joint and Several Liability 168
 - 2) Contribution and Indemnity 169
- C. Criminal Liability of Trustees 171
- D. Rights of Beneficiaries against Trust Property 171
 - 1) Personal Remedies 172
 - 2) Following Property at Law 172
 - 3) Tracing in Equity 172
 - 4) Tracing to a Third Party 173

5) Appropriation of Trust Property by the Trustee 174

E. Defences of Trustees 174

1) Exoneration Clauses 174

2) Laches 175

3) Limitation Periods 176

4) Technical Breach and Statutory Excusing Power 176

5) Consent and Participation 178

6) Release 179

7) Acquiescence 179

Further Readings 180

CHAPTER 12:

CONCLUSION 181

Further Readings 183

TABLE OF CASES 185

INDEX 193

ABOUT THE AUTHORS 197