



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
FACULTY OF LAW
2019_1 SEMESTER EXAMINATION

COURSE CODE: PPL 424

COURSE TITLE: EQUITY AND TRUST II

CREDIT UNIT: 4

Instruction: ANSWER QUESTION 1 (ONE) AND ANY OTHER 3 (THREE) QUESTIONS.(QUESTION 1 (ONE) ATTRACTS 25 MARKS WHILE OTHER QUESTIONS CARRY 15MARKS)

TIME ALLOWED: 2 ½ Hours

Question 1

Odunade's father's counsel just informed him that a protective trust was created on his behalf with instruction to pay him N150, 000.00 monthly and further that, when he attains the age of 40years, he will become entitled to the entire trust fund worth N20million naira. The counsel also informed him that his father inserted a forfeiture in the event of bankruptcy or where he attempts to alienate his interest. He has come to you for advise on the following issues:

- a. What is the meaning of a protective trust;
- b. What are advantages of a protective trust?
- c. What is a forfeiture clause and what is the effect of inserting a forfeiture clause in the trust?
- d. What are the common grounds for forfeiture of the beneficiary's interest?

As a law student, advise Odunade. (25marks)

Question 2

Compliance with the requirements for the creation of express private trust is a sine qua non if the trust is not to be declared invalid. **Discuss**

Question 3

Nina is desirous of bequeathing some properties to different groups of people. She has approached you to advise her how best to give property away. Analyse the case of *Milroy v. Lord (1862) 4 De G & J* and on this authority, advise Nina.

Question 4

Amrit is a politician in the state of Kanka. Before he joined politics, he has served as permanent secretary for about ten years during which time he misappropriated government funds with which he used to purchase several estates in the names of his three children. He also bought a yacht and a personal jet in the name of his childhood friend, Tanwa. At each purchase, he would say, 'I am buying this property so that no one would be able to trace the properties to me.' During the last election, his party lost to the opposing party and the state corruption unit filed economic and financial charges against him. Discuss the legal issues and the status of the various purchases made by Amrit.

Question 5

With the aid of statutory and case law, discuss the fiduciary duties Trustees owe the beneficiaries of a trust. There are two important fiduciary duties. What are the legal consequences of the breach of these duties?

Question 6

Write short notes on two of the following:

- a. Resulting trust
- b. Express/implied trust and draw the difference between the two types of trust
- c. Constructive trust