

METHODS OF DOING BUSINESS

The County Clerk-Recorder staff are prohibited from rendering legal advice or assistance (Government Code § 24004). The following is taken from Black's Law Dictionary, Eighth Edition, and is not intended to provide exact legal definitions under California law or to supplant the need to consult an attorney.

COPARTNERS: A copartner is a member of a partnership. A partnership is a voluntary association of two or more persons who jointly own and carry on a business for profit.

CORPORATION: An entity (usually a business) having authority under law to act as a single person distinct from the shareholders who own it and having rights to issue stock and exist indefinitely.

DOMESTIC PARTNERSHIP: A nonmarital relationship between two persons of the same or opposite sex who live together as a couple for a significant period of time.

GENERAL PARTNERSHIP: A partnership in which all partners participate fully in running the business and share equally in profits and losses (though the partners' monetary contributions may vary).

INDIVIDUAL: Of or relating to a single person or thing, as opposed to a group. An *individual proprietorship* or *sole proprietorship* is a business in which one person owns all the assets, owes all the liabilities, and operates in his or her personal capacity.

INDIVIDUALS HUSBAND & WIFE: A husband who has a lawful wife living and a wife who has a lawful husband living.

JOINT VENTURE: A business undertaking by two or more persons engaged in a single defined project.

LIMITED LIABILITY COMPANY (LLC): A company – statutorily authorized in certain states – that is characterized by limited liability, management by members or managers, and limitations on ownership transfer.

LIMITED LIABILITY PARTNERSHIP (LLP): A partnership in which a partner is not liable for a negligent act committed by another partner or by an employee not under the partner's supervision. (In California, LLPs may only be formed by licensed persons for the practices of public accountancy, law or architecture).

LIMITED PARTNERSHIP: A partnership composed of one or more persons who control the business and are personally liable for the partnership's debts (called general partners), and one or more persons who contribute capital and share profits but who cannot manage the business and are liable only for the amount of their contribution (called limited partners). (In California, a limited partnership must be filed with the Secretary of State and is defined as a partnership formed by two or more persons under the laws of this state and having one or more general partners and one or more limited partners).

TRUST: 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 settler) for the benefit of a third party (the beneficiary). A "business trust" is a form of business organization, similar to a corporation, in which investors receive transferable certificates of beneficial interest (instead of stock shares).

UNINCORPORATED ASSOCIATION: An Association is a gathering of people for a common purpose. An unincorporated organization that is not a legal entity separate from the persons who compose it.