Top Three Landlord-Tenant Laws Needed

by Ken Carlson, Attorney at Law

These three concerns are among over a hundred which affect tenants, but have been selected because of the tremendous impact they have upon the individuals tenants affected and their widespread presence. They are based upon my assessment as an attorney who has specialized in landlord-tenant law for 25 years, representing both sides, and particularly in manning my website, **caltenantlaw.com**, which helps tenants statewide with their problems. The factual situations I describe come from my actual cases.

1. Tenant Blacklisting

Context

The UD Registry and other companies are special "credit reporting agencies" which locate the eviction records in the local courthouses, and add the names of all defendants to a computer database. Tenant applicants for apartments pay a fee for a credit check, $25 of which goes to the UD Registry [or similar company], which checks the applicant's name against its database. If the prospective tenant was listed in the database, that information is reported back, and the tenant's application is rejected as an undesirable tenant. Being so blacklisted is the modern equivalent of tar and feathers.

Problem

While knowing that a tenant is so listed may be useful information, the libel by innuendo prevents a good tenant from finding a reasonable apartment, the same as arrest records would, if not kept secret. We protect potential criminals because their arrest did not result in a conviction and the mere information that they were arrested, perhaps mistakenly, would have an unfair impact upon them in the community. Tenants are one wrung below criminals: merely be named in an eviction is enough to permanently scar their credit and ability to find a home, even where the landlord wrongfully sued them.

Here are some examples of those who would be so wrongfully named and permanently scarred

1. The girlfriend of the evicted tenant who occasionally visits, but whose name the manager knows
2. The tenant who *did* pay their rent, whose landlord dismisses the case after finding the check
3. The tenant who withholds rent due to habitability, whose landlord dismisses the hopeless case
4. The tenant who *did* vacate the premises prior to the retaliatory eviction notice, whose landlord wants to further retaliate by permanently scarring the tenant's credit and therefore files a frivolous eviction
5. The resident manager who is fired by the new property management company, and immediately faced with an eviction lawsuit without any notice
6. The tenants of a foreclosed house whose landlord got mailed notice to move, but they did not
7. Tenants caught in the crossfire between warring co-owners, only one of whom wants them evicted
8. The organizer of a mobilehome HOA of whom the park owner wants to make an example
9. The victim of a prankster, where no landlord-tenant relationship ever existed between the parties
10. A victim of identity theft by the real tenant, whose landlord names only the victim in the lawsuit

UD Registry is unconcerned with the wrongfulness of the unlawful detainer accusations, operating its computerized rumor mill at even greater profits by naming everyone it can, since those who are listed may pay hundreds in repeated application fees in their desperate attempt to find an apartment. The more who are listed, the greater multiple of application fees UD Registry harvests. No one bears responsibility for this libel. The landlord merely files the case. UD Registry merely reports the case. Landlords merely reviewing applications choose a "less risky" tenant. The negative innuendo is the only value to such information, but is the only aspect which remains unmentioned.

Prior legislative attempts to regulate this by Civil Code §1785.13 were met with free speech protection by the courts [*U.D. Registry, Inc. v. State of California* (1995) 34 Cal.App.4th 107], upon the assumption that the information contained in a public report, the eviction case, was "true."

Solutions

1. **Libelous Innuendo**: A special statute clarifying the extensive liability for libelous innuendo[1] caused by the dissemination of facially true public records, which is not supported by the actual underlying events, would put the burden upon UD Registry to prove that a listed tenant was in fact wrong in what they did. A judgment would be sufficient proof, if it was not vacated, but a pleading alone would have to be proven by UD Registry to have been well-founded as to each defendant so listed before it could then tell the public that this particular tenant was problematic and should not be trusted as a tenant.

Failure to support that innuendo by documentation obtained before the tenant was listed [having done no background investigation] would warrant statutory and punitive damages for reckless disregard for the truth. Liability would be for the rent differential at the new apartment over what would have been available without the blacklisting, application fees paid, storage fees, compensation for homeless time, and all legal costs and fees to prosecute the action.

The liability should extend to any agency which assisted UD Registry in marketing and disseminating the defamatory information, such as "Rent Check", which assembles both "TRW" type information and tenant blacklisting, so that they would only use reliable information sources to avoid their own liability.

2. **Permanent record sealing**: Code of Civil Procedure §1161.2 was originally designed to protect tenants whose landlords dismissed the case or lost the case, but has been severely weakened with exceptions, and has not extended to practical applications. An eviction case should remain permanently sealed unless and until a judgment against specific tenants is entered. The court-ordered "newsworthy" exception invites UD Registry back in through a sympathetic judge, undermining the law completely.

Even where a judgment is to be entered against the tenant, the parties should be able to stipulate that the case remain permanently sealed. This is often the sticking point in an eviction case, where the landlord knows he will lose [such as deplorable uninhabitability], but wants the tenant out, anyway. The tenant will not agree to simply move in settlement of the case, even at a complete waiver of rent, unless she will not be blacklisted. The landlord would agree to that, but has no power over UD Registry, so the case has to go to trial, which may last days, resulting in the tenant winning, and then moving having cleared her record in the only possible way she could. It is worth her doing so, because of the permanent effect of have the eviction on her record, but it is not worth the legal expenses of eviction nor the waste of judicial resources.

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[1] See attached review of libelous innuendo cases

3. **Record Access**: Civil Code §1785.15.1 requires information to be supplied to the consumer, but is ineffective and practically unenforceable. UD Registry hides, refusing to give its location, so that records can be obtained directly, by subpoena or otherwise, and its agent for service of process is elusive. A tenant who wishes to get their records to check for accuracy is required to first supply additional information such as their social security number and driver's license, so that the blacklisting is further entrenched and integrated within the nationalized credit reporting network. The tenant should only be required to give the court name and case number to get their complete file, since that is what UD Registry is based on, but UD Registry claims it needs the extra information to "help identify" the applicant to search its records. Thereafter, the tenant can't even rent a place in Kansas.

The tenant should be given a copy of their written UD Registry report by the prospective landlord who charges the fee for the credit report, and be exempt from the fee by presenting a copy of that report to other prospective landlords, who can independently check its accuracy if they doubt it. UD Registry should be subject to process service through any of its outlets, which are the prospective landlords serving as financial conduits, so that it may hide from process servers but remain subject to contempt and adverse judgments if those outlets do not forward the process papers to UD Registry. This would encourage UD Registry to make itself available at multiple locations throughout the State, and respond promptly to requests for copies of a tenant's files. A statutory penalty at a daily rate should be imposed upon those whose are obligated to supply the information but neglect to do so.

2. Eviction Without Full Due Process

Context

Code of Civil Procedure §437 permits relief from default upon showing excusable neglect, surprise, and inadvertence. *Elston v. City of Turlock* (1985) 38 Cal.3d 227 recites a state policy encouraging trial on the merits, with only slight evidence required to compel relief from default. Eviction lockout occurs within only 6 days after the Sheriff's Posting of the Notice to Vacate, but a motion for relief from default requires at least 21 days' notice to be heard, absent yet another court proceeding to stay execution and shorten time, under Code of Civil Procedure §1005. Code of Civil Procedure §1176 requires a tenant to show extreme hardship to stop an eviction pending appeal, to convince the judge who ruled against them, and then the appellate department by separate writ.

Tenants are often defaulted in evictions for unfair reasons

1. Process servers lie on their proof of service, claiming the summons and complaint were served
2. Tenants do not understand the forms given to them, thinking they can write a letter to the court
3. Tenants think that it is too late to answer because the filing date on the summons has passed
4. Landlords defraud the tenants, saying that the case will "go away" if the tenant just pays the rent
5. Landlords make settlement agreements with the tenants, which they violate by taking the default
6. Tenants are physically moving when they are served, but think the case is over by their moving
7. Tenants can't find a lawyer who will help them, because they don't qualify for Legal Aid
8. Tenants are on vacation when the eviction is filed, and are unaware of it until the Sheriff's notice
9. Managers "accept" the process service for the tenant they want evicted, but don't forward the papers
10. Tenants can't afford to hire a lawyer in time because their paycheck has not arrived yet.
11. Court clerks miscalculate the dates of service, or simply enter default whenever a landlord requests
12. Court clerks miscalculate the dates for response times after a motion before the next filing is due
13. Corrupt judges strike a motion to quash or demurrer and order default entered to expedite the ouster
14. Clerks reject Answers upon technicalities, and the enter default before the tenant get a reject notice
15. Tenants rely on paralegal companies who take their money and then fail to timely file the answer.

Problem

The remedy for default is clumsy, expensive, and unreliable. While the law gives lip service to the Due Process rights, and high priority to giving one's "day in court," in reality, the system says, Let them eat cake." Service of process is so commonly falsified that many courts mail a "notice of unlawful detainer filing" to the tenants, institutionally expressing the doubt that the process server actually gave the tenant the papers as claimed under penalty of perjury.

Given that most tenants discover the default for the first time when the Sheriff posts the 5-day Notice to Vacate, there is a ridiculous amount of work to do to get a "day in court" within that short period. Since there is no Judicial Council form for relief from default or the stay, a lawyer is required. Therefore, the tenants first have to scramble to find a tenant lawyer to help them, in a legal system where such lawyers are rare, and one must be at the poverty level to get help from Legal Aid.

Since tenant lawyers are usually in court in the mornings, an afternoon appointment is required, if that lawyer is not already booked. If the time has not yet expired in that desperate effort alone, the lawyer they do find must first get the court file for the papers that were never served, discover the error, and consult with the tenants. Then, in the remaining hours before lockout, the lawyer must draft two technical and involved motions and the answer, and give ex parte notice. One motion is for the ex parte application to stay execution on the writ of possession pending hearing on the motion for relief from default and shortening the time for such relief motion. The second motion is for the actual motion for relief from default. This paperwork requires two court appearances, one for each motion.

Ex parte notice must be given by 10 AM of the day before the hearing, so that to avoid lockout which can occur at 6AM of the 6th day, the ex parte notice must be given by 10 AM of the 4th day of the Notice of Vacate. If a weekend intervened, ex parte notice might have to be given on the 2nd day of the Notice to Vacate. Therefore, a tenant who cannot find and hire a lawyer to help her within the first couple of days can be locked out without ever having her day in court, for that reason alone.

Due to the extreme amount of work required just to enable the tenant to file her answer and have a chance at trial, and the requirement to have a lawyer drop everything to get the court file, consult, research, and draft the papers, and then make two appearances in court, such legal work costs the tenant at least $600 in attorney fees, plus filing fees of $350 or more. Just for the privilege of having Due Process and undoing the landlord's false process, the tenant must come up with $1,000 or more, take time off work, endure a panicked week, for only the hope of a chance. For many, the cost is simply prohibitive, and they have lost their chance to defend against a wrongful eviction, becoming homeless.

It is only the hope of a chance, because default is rarely vacated in reality. The judge is compelled to relieve default caused by a lawyer, when the litigant can afford one [CCP 473(b)], but not when the litigant cannot afford to have a lawyer, or where the default is not caused by the lawyer, such as where there was no service. If you have a lawyer who is skilled and knows what he's doing, but still makes a mistake, you're in luck. If have no idea what you're doing, and try your best, you get the hardball treatment. The law is upside down, there. Easier relief should be granted to the layman than is afforded to a lawyer. If the relief for lawyer mistake is mandatory, relief for a layman's mistake should be automatic.

In reality, the trial judge is looking at his "stats," that database monitoring of his active caseload about which he is harangued by his superiors, and sees this as just one more case in his overburdened load, increasing his stress and the amount of time he will have to spend at work. He gets the same pay for more work and stress, but he has the power to reduce his stress and workload by denying relief from

default whenever he can. Therefore, judges strain to avoid granting relief from default, a trend which has sharply arisen since the "stats" and "fast tracking" came into existence.

The judge will use various tactics to achieve the same result. The easiest is to require the tenant to post all past amounts claims plus future rent as a condition of relieving the default. In many cases, the tenant simply can't afford to do that, especially where they just spent that money on the lawyer to prepare the papers to get to that point. Tenants living hand to mouth -an alarmingly growing number- don't have the extra $1,000 lying around to pay for a lawyer just to set aside the default. The only money they had was the money they would have paid for rent, had the landlord been reasonable, and they are forced to spend it on a lawyer just to have their hope of a day in court. Since they spent the money on the lawyer, the judge says, "Too bad. I would have granted relief if you could make the landlord whole." The hope of a chance is dashed, and now that tenant has spent the money they could have used to pay rent at a new place, and they are even more destitute and desperate than before.

Other tactics used by judges to deny relief exploit their fact-finding "ability," where they conclude that they "don't believe" that the process server would lie, that the tenant wasn't home behind a closed door, or that the tenant was unable to get a lawyer in time to respond. The judge "doesn't believe" that homelessness is an extreme hardship, that denial of their day in court is a meritorious reason for relieving default, or that "these two warring factions should be kept together any longer." Under *Elston*, "all doubts are to be resolved in favor of trial on the merits," but between the tenant's claims that she wasn't served and the process server's claim that she was, the judge simply has "no doubts" that process occurred as the server claims, and that the tenant was inexcusably neglectful in taking appropriate action to defend herself against this lawsuit.

Where a tenant *has* the disputed money to post with the court as a condition of relief from default, the landlord will often claim that this is a bothersome tenant, about whom many others tenants have bitterly complained, or similar unfounded claim, and thereby give the judge the ammunition to say that mere posting of money will not adequately protect the landlord and other tenants from the ongoing abuses by this tenant, and deny relief on those grounds, with the tenant having the chance to dispute those claims, either. It is a Kangaroo Court.

Where a tenant has lost at trial, or at their motion for relief from default, staying execution [particularly stopping the lockout] pending appeal is nearly impossible. CCP 1176 requires the tenant to ask the same judge who just decided that they should be evicted, if he will let them stay for a while anyway. If the judge were so inclined, he would not have ruled against them, particularly where he has denied relief from default. In the few days or hours remaining after the motion for relief from default before the Sheriff may return to complete the default, the tenant is required to spend another extraordinary sum to have her lawyer draft the papers, and make both the ex parte application to shorten time for the motion for stay pending appeal, and *then* the motion for the stay.

Upon being unsuccessful at the trail court level [in 25 years, I've only had one such motion granted], a new set of papers and filing fees for a Writ of Supersedeas is required to seek the stay there [I've never had one granted by the Appellate Department]. Here, over $1500 could be spent, with 3 court appearances and attendant judicial resources being wasted, all just to give the tenant a chance to appeal the trial court's decision before being locked out. In practice, the Appellate Court will often reverse the trial court's decision denying relief from default, but nearly a year after the tenant has been removed and living homeless, understandably chagrined by their Pyrrhic victory.

Solutions

1. **Automatic stay and relief from default**: A Judicial Council form should be directed by the Legislature to contain an application for automatic stay of execution and an Order to Show Cause [OSC] why relief from default should not be granted and to set the conditions thereof, issued by the Clerk upon application upon ex parte notice. It should provide for a hearing set by the clerk on 5 days' notice for relief from default and mailed notice by the Court. At the hearing, the court should be required to grant relief from default absent extraordinary circumstances subject to immediate appellate review, and to require only the posting of such money or the performance of such acts as are related to the Complaint, and which will only compensate the landlord for any delay in the proceedings which the landlord can prove were caused by neglect of the tenant, such as accrued rent. The conditions should not put the landlord in a better position than he would have been with the default or in the ordinary course of the trial. The court should have money posted to the Court rather than the landlord to avoid false claims of nonreceipt in order to defeat any conditional relief.

2. **Conditional Stay Pending Appeal**: CCP 1176 should be revised to require a stay of execution pending appeal wherever the landlord can be adequately protected, upon ex parte application. Reasonable conditions upon which the stay could be made dependent should be specified: payment of accrued rents, compliance with the rental agreement, and refraining from specified conduct, in addition to such terms as the parties may stipulate. Only where the tenant's continued possession can be proven to be inherently unable to adequately protect the landlord should such stay be denied, such as where the building must be demolished, or is in escrow to be sold to an owner occupant of that unit, or is structurally unsafe to occupy.

3. Mobilehome Sales In-Place

Context

Civil Code §789.70 *et seq* in the Mobilehome Residency Law establish certain procedures for selling the mobilehome in-place in a park. Civil Code §798.23.5 extends this process to subtenants, who may ultimately purchase the mobilehome. Civil Code §798.73 permits the park to require removal of a coach upon sale where it is old or in disrepair, in order to upgrade the park's housing. The Civil Code §798.74-75 standards for park review of the prospective tenant-purchaser's ability to pay the rent and likelihood of following park rules are open to broad interpretation by park management. The park may evict the tenant, and then prevent the tenant from either moving the coach or selling it in-place because the underlying tenancy has been terminated and cannot be assigned. Civil Code §798.61 provides that an "abandoned" mobilehome may be confiscated and sold by the park and keep the sale proceeds.

The mobilehome is a significant investment of its owner, many of whom are required to live in mobilehomes due to restricted monthly incomes that would not afford an apartment. Moving the mobilehome is expensive, and due to the shortage of mobilehome spaces, the value of a mobilehome is drastically reduced or eliminated if it is not already in location in a park. Due to health, death, job relocation, or eviction, mobilehome owners need to move themselves from the park, but need to sell the mobilehome in place, to have the money to buy another mobilehome in another park.

Problem

The maxim of jurisprudence [Civil Code §3517] that "one may not take advantage of his own wrong" finds no application in these circumstances. The park may wrongfully evict a tenant, or obstinately refuse to permit a mobilehome to be sold in-place, and then reap huge financial rewards by doing themselves what they refused to permit the homeowner or buyer to do. The abused mobilehome owner suffers greatly, and without a remedy.

Park owners exploit tenants' vulnerability by preventing in- place sales of the mobilehomes by:

1. Claiming that the mobilehome is in "serious disrepair"although it could be fixed, and/or is no worse than others in the park
2. Claiming that they "determined" that the prospective purchaser cannot afford the rent, although their monthly income is 4 times the monthly rent
3. Claiming that the prospective purchaser is "unlikely" to follow the park rules without any factual basis to so conclude
4. Refusing to permit the in-place sale of the mobilehome because the tenant-seller was evicted, and has no tenancy to convey
5. Refusing to permit the sale to another tenant in the same park whose record is flawless upon a factless "determination" that the tenant can't pay the rent and/or will not follow the rules.
6. Taking so long in making its application determination that the prospective purchaser gives up
7. Demanding such intrusive information, like tax returns and personal relations, that the prospective purchaser refuses to supply it, and the application is denied for lack of sufficient information

The tenant seller is unable to afford their new home, the rent on the old mobilehome, the legal battle over the park's refusal, and the costs of relocating the old mobilehome. The park arbitrarily withholds its consent, and can financially outlast the tenant-seller, who ultimately must "abandon" the mobilehome. Where the tenant has been evicted, the park refuses to permit the mobilehome to be moved without paying for its storage, and other charges, so that the tenant has no choice but to leave it in-place. The park will not permit the in-place sale of an evicted tenant's mobilehome because the tenancy is terminated, and there is no requirement for the park to permit it.

The mobilehome is then deemed "abandoned" by the park, which then confiscates and sells it in-place, keeping all the equity in the mobilehome, which can easily be tens of thousands of dollars, and the former owner's life savings. The park can offset its claimed expenses of any amount. The park can then bid low at the sale because the coach has low value as one which "cannot" remain in the park, and must be removed at great expense to another park of the buyer's choosing. The park is almost always the "successful bidder," under these circumstances. Then, despite its refusal to let the seller or buyer keep the mobilehome within the park, the park then sells that mobilehome in-place to a new buyer who will live there in the park, in the same mobilehome, in the same space. The park might have purchased this mobilehome for the $5,000 it claimed to have incurred as offset expenses, only to sell that mobilehome to the new buyer for $50,000 in-place.

Solutions

1. **Mandatory In-Place Sale**: The park's interest in the mobilehome ownership is zero. It rents the space, not the mobilehome itself. The park looks exactly the same with a different owner of the mobilehome. The rent is possibly even higher with a new mobilehome owner occupying the space, and nonpayment rent remains a ground for eviction, whoever is in the mobilehome. If a park evicts the person who occupies the mobilehome, there is no legitimate reason to refuse to permit that tenant to sell the mobilehome in-place to a new tenant, provided the ongoing rent for the space is paid. An apartment landlord does not need to remove the apartment just because the tenant was evicted. It is a structure.

Civil Code 798.70 et seq. should be amended to require the park to permit the in-place sale of a mobilehome in the park, and to rent the space to the new tenant where the new tenant can demonstrate a household monthly income of at least 3 times the monthly rent, unless the park owner has specific and demonstrated proof of prior conduct by the prospective tenant of repeated violation of reasonable park rules in another mobilehome park. The 3-times monthly rent level is the current industry standard for apartment rental, and the prior rule violation would require a handful of notices of reasonable rule violations issued by another park against the prospective buyer, such as loud late-night parties, destroying park property, or permitting a vicious dog to attack other park residents.

The park should be required to permit the in-place sale of an evicted tenant upon the additional conditions that the evicted tenant does not thereby remain in possession of the mobilehome, that the prospective purchaser not be a formerly evicted tenant, that the park's judgment is satisfied in full at the close of escrow on the mobilehome, and that the evicted tenant does not return to the park.

A reasonable time limit should be set for the park's acceptance of the prospective purchaser such as 10 days from submitting the application, after which the lack of a response is deemed an acceptance. Any rejection must be in writing and give specific facts upon which the rejection is based. The purchaser and seller may then challenge the facts by providing opposing information to the park within the following 10 days [such as showing that the tenant record the park relied upon was that of another tenant by the same name]. The dispute may then be litigated at a summary proceeding in declaratory relief, but the park shall be liable for all damages caused by its wrongful refusal to accept the prospective tenant.

2. **Permit Mobilehome Upgrading**: Where a mobilehome is in disrepair, and that is a ground upon which the park refuses to permit it to remain in the park after sale, the seller or buyer should be permitted to repair the mobilehome to bring it up to a standard with the rest of the park. The standards should be both published by the park and uniformly enforced, as evident from the condition of other mobilehomes in the park and the park's issuance and enforcement of compliance notices. The requirements should not be higher than other mobilehomes in the park. A reasonable time to make the required repairs should be given, presumed to be 30 days absent compelling circumstances.

About the Author

Ken Carlson is a graduate of Loyola Law School in Los Angeles, and has been an attorney specializing in landlord tenant law since 1980. Over his 25 years of solo law practice, he has represented both landlords and tenants in a broad variety of situations in thousands of cases. He has been an instructor for the Department of Real Estate in its continuing education courses for licensees on landlord-tenant law, as well as an instructor for the Glendale Community College. He also speaks Spanish.

In 1999, Ken Carlson created his website, California Tenant Law [www.caltenantlaw.com], which provides free legal information and advice to tenants throughout California, as well as low cost phone consultations, legal drafting, and legal kits available online. In that capacity, Ken receives a constant input by e-mail of real tenant problems from around the State, so that he has a statewide perspective of what problems are arising and what the true needs of tenants in California are. A more complete list of the various problems faces by tenants with his suggest solutions is available on request by e-mail.

This review of defamation by innuendo is from *Smith v. Maldonado* (1999) 72 Cal.App.4th 637, 645-647:

[4] Defamation is an invasion of the interest in reputation. The tort involves the intentional publication of a statement of fact that is false, unprivileged, and has a natural tendency to injure or which causes special damage. (Civ. Code, §§ 45, 46; 5 Witkin, Summary of Cal. Law (9th ed. 1988) Torts § 471, pp. 557-558.) fn. 3 Publication means communication to some third person who understands the defamatory meaning of the statement and its application to the person to whom reference is made. Publication need not be to the "public" at large; communication to a single individual is sufficient. (Cunningham v. Simpson (1969) 1 Cal.3d 301, 306 [81 Cal.Rptr. 855, 461 P.2d 39]; 5 Witkin, Summary of Cal. Law, supra, Torts, §§ 471, 476, pp. 557-558, 560-561.) Reprinting or recirculating a libelous writing has the same effect as an original publication. (Gilman v. McClatchy (1896) 111 Cal. 606, 612 [44 P. 241]; Rest.2d Torts, §§ 576, 578; 5 Witkin, Summary of Cal. Law, supra, Torts, § 478, pp. 562-563.)
[5] Where the words or other matters which are the subject of a defamation action are of ambiguous meaning, or innocent on their face and defamatory only in the light of extrinsic circumstances, the plaintiff must plead and prove that as used, the words had a particular meaning, or "innuendo," which makes them defamatory. (Washer v. Bank of America (1943) 21 Cal.2d 822, 828-829 [136 P.2d 297, 155 A.L.R. 1338], overruled {Page 72 Cal.App.4th 646} on other grounds, MacLeod v. Tribune Publishing Co. (1959) 52 Cal.2d 536, 551 [343 P.2d 36]; Rest.2d Torts, § 563, com. f, at p. 164; 5 Witkin, Summary of Cal. Law, supra, Torts, § 493, p. 580.) fn. 4 Where the language at issue is ambiguous, the plaintiff must also allege the extrinsic circumstances which show the third person reasonably understood it in its derogatory sense (the inducement). (Grand v. Dreyfus (1898) 122 Cal. 58, 62 [54 P. 389]; Peabody v. Barham (1942) 52 Cal.App.2d 581, 585 [126 P.2d 668], overruled on other grounds, MacLeod v. Tribune Publishing Co., supra, "52 Cal.2d at p. 551; Rest.2d Torts, § 563, com. f, at p. 164; 5 Witkin, Summary of Cal. Law, supra, Torts, § 493, pp. 580-581.)
[6] In all cases of alleged defamation, whether libel or slander, the truth of the offensive statements or communication is a complete defense against civil liability, regardless of bad faith or malicious purpose. (Campanelli v. Regents of University of California (1996) 44 Cal.App.4th 572, 581-582 [51 Cal.Rptr.2d 891]; Schmidt v. Foundation Health (1995) 35 Cal.App.4th 1702, 1715 [42 Cal.Rptr.2d 172]; Ellenberger v. Espinosa (1994) 30 Cal.App.4th 943, 953 [36 Cal.Rptr.2d 360]; Francis v. Dun & Bradstreet, Inc. (1992) 3 Cal.App.4th 535, 540 [4 Cal.Rptr.2d 361]; Gill v. Hughes (1991) 227 Cal.App.3d 1299, 1309 [278 Cal.Rptr. 306]; Swaffield v. Universal Ecsco Corp. (1969) 271 Cal.App.2d 147, 164 [76 Cal.Rptr. 680]; 5 Witkin, Summary of Cal. Law, supra, Torts, § 494, p. 583.) The defendant must "justify," or show the truth of the statements. fn. 5 If the statements are not defamatory on their face but are capable of a defamatory meaning imputed by innuendo, the defendant must demonstrate the truth of the statements in that sense in which the plaintiff's innuendo explains them. However, the defendant need not justify the literal truth of every word of the allegedly defamatory matter. It is sufficient if the defendant proves true the substance {Page 72 Cal.App.4th 647} of the charge, irrespective of slight inaccuracy in the details, "so long as the imputation is substantially true so as to justify the 'gist or sting' of the remark." (Campanelli v. Regents of University of California, supra, 44 Cal.App.4th at pp. 581-582; Gantry Constr. Co. v. American Pipe & Const. Co. (1975) 49 Cal.App.3d 186, 194 [122 Cal.Rptr. 834]; Swaffield v. Universal Ecsco Corp., supra, 271 Cal.App.2d 147, 164; Pyper v. Jennings (1920) 47 Cal.App. 623, 628 [191 P. 565]; Rest.2d Torts, § 581A, com. f, p. 234; 5 Witkin, Summary of Cal. Law, supra, Torts, § 495, pp. 583-584.)