

03/14/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 34-432651

Taxpayer Name: Elden Inc.

RE: Formal Protest to Letter – ERC Disallowance for Q2 2020

Tax Period: 2nd Quarter 2020 (2020Q2)

Claim Amount: [See Enclosures]

Dear Appeals Officer,

We write in response to the IRS notice disallowing Elden Inc.'s Employee Retention Credit (ERC) claim for the second quarter of 2020. The disallowance is premised on the assertion that no governmental orders were in effect during Q2 2020 that caused a suspension of our operations. We respectfully disagree. Multiple federal, state, county, and city government orders were active during this period, and they imposed restrictions that forced a full or partial suspension of normal operations. In this letter, we provide a detailed timeline of relevant government orders, demonstrate their impact on our business activities during Q2 2020, and cite applicable guidance supporting our position that Elden Inc. qualifies for the ERC under the "partial suspension" provisions.

Timeline of COVID-19 Government Orders Active in Q2 2020

- **Order Name:** Proclamation 9994 – National Emergency Concerning COVID-19
- **Order Number:** Proclamation 9994
- **Date Enacted:** 03/13/2020
- **Date Rescinded:** Still in effect
- **Order Summary:** This federal proclamation declared a nationwide emergency and activated broad emergency powers. It provided the legal framework that empowered state and local authorities to implement subsequent restrictions impacting business operations.
- **Impact on Quarter:** Established the overarching national emergency context under which Elden Inc. faced indirect mandates and restrictions, contributing to a partial suspension of our operations.
- **Order Name:** State of Emergency Proclamation – California COVID-19 State of Emergency
- **Order Number:** Not applicable

- **Date Enacted:** 03/04/2020
 - **Date Rescinded:** Still in effect
 - **Order Summary:** This gubernatorial proclamation activated emergency measures across California, authorizing the state to issue orders that affected public health and safety, including limitations on business activities.
 - **Impact on Quarter:** Created a statewide environment of restrictions that required Elden Inc. to curtail in-person activities, thereby contributing to a partial suspension during Q2 2020.
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- **Order Name:** Executive Order N-33-20 – Statewide “Stay-at-Home” Order
 - **Order Number:** N-33-20
 - **Date Enacted:** 03/19/2020
 - **Date Rescinded:** 06/15/2021
 - **Order Summary:** This executive order mandated that Californians remain at home except for essential activities and permitted only critical infrastructure and essential businesses to remain open. It forced non-essential businesses to significantly modify or suspend their operations.
 - **Impact on Quarter:** Directly curtailed Elden Inc.’s ability to conduct regular business activities by restricting non-essential in-person services, resulting in a partial suspension of operations.
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- **Order Name:** State Public Health Officer Order (Stage 2 Reopening) – Modifying Stay-at-Home
 - **Order Number:** Associated with EO N-60-20
 - **Date Enacted:** 05/07/2020
 - **Date Rescinded:** 06/15/2021
 - **Order Summary:** This order relaxed the strict stay-at-home measures by allowing limited reopening for lower-risk operations while maintaining restrictions on higher-risk business activities.
 - **Impact on Quarter:** Although designed to cautiously ease restrictions, the order still imposed operational limitations that reduced Elden Inc.’s capacity to function at normal levels during Q2 2020.
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- **Order Name:** Ventura County Local Health Emergency
 - **Order Number:** Not applicable
 - **Date Enacted:** 03/12/2020
 - **Date Rescinded:** Still in effect during Q2 2020
 - **Order Summary:** This local health emergency declaration authorized Ventura County to implement comprehensive public health measures, including the suspension of various business operations.

- **Impact on Quarter:** Reinforced local mandates that further restricted Elden Inc.'s normal operations by enforcing additional safety and closure measures.
- **Order Name:** Ventura County "Stay Well at Home" Order
- **Order Number:** Not specified
- **Date Enacted:** 03/20/2020
- **Date Rescinded:** 06/11/2021
- **Order Summary:** This countywide order required residents to remain at home except for essential activities, leading to the closure or severe limitation of non-essential businesses.
- **Impact on Quarter:** Directly affected Elden Inc. by limiting physical operations and mandating modifications to service delivery, thereby contributing to the partial suspension of our business activities.
- **Order Name:** Camarillo Local Emergency Proclamation
- **Order Number:** EOC Director Order No. 20-1
- **Date Enacted:** 03/13/2020
- **Date Rescinded:** Still in effect during Q2 2020
- **Order Summary:** This city proclamation activated emergency protocols in Camarillo, suspending public events and adjusting local business operations to meet public health requirements.
- **Impact on Quarter:** Imposed a local regulatory environment that compelled Elden Inc. to alter normal business processes and limit in-person interactions, further evidencing a partial suspension of operations.

In summary, the assertion that no government orders affecting operations were in place during Q2 2020 is incorrect. The overlapping framework of federal, state, county, and city orders not only established strict public health mandates but also directly limited our ability to conduct business as usual. Although certain orders provided a phased easing later in the quarter, the cumulative effect of these restrictions resulted in a significant and measurable partial suspension of Elden Inc.'s operations.

We respectfully request that the IRS reconsider and reverse the disallowance of our Q2 2020 ERC. The credit claimed is fully supported by the operational disruptions imposed by these governmental orders. Enclosed are copies of the relevant government orders and excerpts, our detailed analysis of impacted operational hours, and supporting documentation of our claim.

Attestation: "Under penalties of perjury, I declare that I submitted the protest and accompanying documents, and to the best of my personal knowledge and belief, the information stated in the protest and accompanying documents is true, correct, and complete."

Sincerely,

[Signature]

Jordan M. Rivera, EA

AUTHORIZED REPRESENTATIVE FOR

Elden Inc.

ENCLOSURES:

- Copies of Government Orders and Relevant Excerpts
- ERC Calculations for Q2 2020
- Supporting IRS Guidance Documentation
- Additional Pertinent Documentation