

5/2/2025

Internal Revenue Service

ATTN: OGDEN, UT 84201

EIN: 26-3328206

Taxpayer Name: Advanced Heart Care LLC

RE: Formal Protest to ERC Disallowance for Q2 2020

Tax Period: 2nd Quarter 2020 (202006)

DEAR APPEALS OFFICER:

We write in response to the IRS notice disallowing Advanced Heart Care LLC's Employee Retention Credit (ERC) claim for the second quarter of 2020. The stated reason for disallowance was: "No government orders were in effect" from April 1 through June 30, 2020 to cause a partial suspension of operations. We respectfully disagree. Multiple federal, state, county, and city government orders remained active or were newly issued during Q2 2020, and these orders imposed significant limitations on normal business operations. Below is a detailed timeline and explanation of how these government orders triggered a partial suspension of Advanced Heart Care LLC's activities for Q2 2020 under the CARES Act ERC rules.

I. Government Orders in Effect for Q2 2020

Below, we provide each relevant Q2 2020 order in the exact required format. All these orders were in effect (in whole or in part) between April 1 and June 30, 2020. They required closures or imposed restrictions that substantially affected daily operations.

- **Order Name:** National Emergency Concerning COVID-19 (Proclamation 9994)
- **Order Number:** Proclamation 9994
- **Date Enacted:** 03/13/2020
- **Date Rescinded:** Remained in effect throughout 2020 (not rescinded during Q2 2020)
- **Order Summary:** This federal proclamation declared a nationwide emergency due to COVID-19. It enabled broad government powers and funding to address the pandemic, including legal authority that supported state and local lockdowns.

- **Impact on Quarter:** During Q2 2020, the continued national emergency empowered states and counties to maintain strict health-related mandates on businesses. Although the proclamation itself did not require closures, it provided the legal framework for the subsequent state and local mandates that limited normal operations.
- **Order Name:** California COVID-19 State of Emergency
- **Order Number:** Governor's Proclamation (03/04/2020)
- **Date Enacted:** 03/04/2020
- **Date Rescinded:** Remained active through 2020 (not rescinded in Q2 2020)
- **Order Summary:** Governor Newsom's proclamation declared a state of emergency in California. It enabled executive actions such as lockdowns, capacity restrictions, and rapid changes to business regulations.
- **Impact on Quarter:** Throughout Q2 2020, California's state of emergency justified the continuation of partial closures and capacity limits on many types of businesses. This forced ongoing operational limitations for non-essential activities.
- **Order Name:** Executive Order N-33-20 ("Stay-at-Home" Order)
- **Order Number:** N-33-20
- **Date Enacted:** 03/19/2020
- **Date Rescinded:** 06/15/2021 (not lifted during Q2 2020)
- **Order Summary:** This sweeping statewide directive required all California residents to stay home except for essential purposes or employment in critical infrastructure. Non-essential businesses were prohibited from operating in-person unless they could adapt to minimum basic operations or remote services.
- **Impact on Quarter:** During Q2 2020, large categories of businesses remained shuttered or severely restricted. Even essential-type businesses often faced limitations such as physical distancing, mask protocols, and restricted customer interactions, hindering normal operations.
- **Order Name:** State Public Health Officer Order (Stage 2 Reopening)
- **Order Number:** 05/07/2020 State Health Officer Order per EO N-60-20
- **Date Enacted:** 05/07/2020
- **Date Rescinded:** 06/15/2021 (not lifted during Q2 2020)
- **Order Summary:** This order modestly relaxed the March stay-home order by allowing lower-risk businesses (e.g., certain retail with curbside pickup, manufacturing) to reopen under strict safety modifications. Higher-risk establishments (dine-in restaurants, salons, gyms) largely remained closed or severely limited at this time.

- **Impact on Quarter:** From May through June 2020, some businesses could partially reopen, but they had to comply with capacity limits and distancing protocols. This partial reopening did not restore full operations because numerous restrictions continued to reduce foot traffic, staffing, and offerings.
- **Order Name:** Ventura County Local Health Emergency
- **Order Number:** Ventura County Declaration (03/12/2020)
- **Date Enacted:** 03/12/2020
- **Date Rescinded:** Not rescinded during 2020 (remained in effect in Q2 2020)
- **Order Summary:** Ventura County's public health officer declared a local health emergency, granting authority to impose local stay-at-home mandates, business closures, and enforcement actions.
- **Impact on Quarter:** This local emergency empowered county officials to enact and maintain county-level rules affecting onsite business operations throughout Q2 2020. As a result, businesses were obliged to follow both state and local restrictions, limiting normal workflows.
- **Order Name:** Ventura County "Stay Well at Home" Order
- **Order Number:** County Health Officer Order dated 03/20/2020
- **Date Enacted:** 03/20/2020
- **Date Rescinded:** 06/11/2021 (remained in force in modified form during Q2 2020)
- **Order Summary:** This order mandated that county residents stay at their residences except for essential needs, closing all non-essential business sites. It closely mirrored the statewide stay-home directive but added local enforcement specifics.
- **Impact on Quarter:** In Q2 2020, any business that was not classified as essential faced strict operational bans or had to rely on remote/curbside models. Many businesses could not provide normal in-person services, resulting in a partial suspension.
- **Order Name:** Ventura County Public Health Order Updates (March–April 2020)
- **Order Number:** Various (03/31/2020, 04/09/2020, 04/20/2020)
- **Date Enacted:** 03/31/2020, 04/09/2020, 04/20/2020
- **Date Rescinded:** Superseded by later orders in May 2020, but effectively constrained Q2 2020 operations
- **Order Summary:** These orders extended the county's stay-home mandate and added gathering bans, social distancing protocols, and stricter definitions of essential businesses. Essential operations were required to implement distancing and sanitation plans; non-essential sites remained closed.

- **Impact on Quarter:** Through April and into May 2020, these extensions forced businesses to remain shut or severely limit in-person activity. Even those allowed to operate had to comply with distancing and minimal occupancy, reducing normal capacity and workflow.
- **Order Name:** "Safely Reopening Ventura County" Order
- **Order Number:** County Health Officer Order (05/07/2020 and 05/20/2020)
- **Date Enacted:** 05/07/2020
- **Date Rescinded:** Eventually superseded by state Blueprint in late August 2020, but relevant in Q2 2020
- **Order Summary:** In alignment with California's Stage 2 plan, Ventura County permitted curbside retail, limited dine-in with distancing (after May 20), and other incremental re-openings. Businesses had to post COVID prevention plans, enforce distancing, and maintain strict sanitization.
- **Impact on Quarter:** From mid-May through June 2020, businesses were only partially open. Capacity remained restricted, and some sectors still had to remain closed. This partial reopening compelled businesses to operate below normal levels, constituting a partial suspension.
- **Order Name:** Ventura County Eviction Moratorium
- **Order Number:** Urgency Ordinance No. 4563
- **Date Enacted:** 04/22/2020 (retroactive to March 2020)
- **Date Rescinded:** For commercial tenants, effective protections lasted through 09/30/2020
- **Order Summary:** This county ordinance prohibited commercial and residential evictions if tenants were unable to pay rent due to COVID-19 financial hardship. While not a closure mandate, it directly related to the broader lockdown environment, enabling struggling businesses to avoid eviction.
- **Impact on Quarter:** During Q2 2020, many businesses relied on this moratorium to remain in their premises while forced to curtail operations. Although it was financial protection rather than a direct capacity restriction, it underscores the severe business disruptions caused by pandemic orders.
- **Order Name:** City of Camarillo Local Emergency Proclamation
- **Order Number:** EOC Director Order No. 20-1
- **Date Enacted:** 03/13/2020
- **Date Rescinded:** Not rescinded in Q2 2020
- **Order Summary:** The City of Camarillo declared a local emergency, closing city facilities and enabling the city to enforce county/state directives.
- **Impact on Quarter:** This city-level emergency posture in Q2 2020 further limited public gatherings, suspended normal city-permitting processes for

events, and reinforced the partial shutdown of many business activities.

- **Order Name:** Camarillo Eviction Moratorium Orders
 - **Order Number:** EOC Director Order No. 20-2 (and April amendments)
 - **Date Enacted:** 03/18/2020 (amended 04/23/2020)
 - **Date Rescinded:** Eventually superseded by state law in September 2020 for residential; remained in place for commercial through local emergency
 - **Order Summary:** Prohibited evictions of residential and commercial tenants in Camarillo for nonpayment due to COVID-19. This paralleled county measures but applied specifically within city limits.
 - **Impact on Quarter:** Like the county ordinance, this moratorium did not mandate closure, but it reflected the hardships city businesses endured under forced capacity limits. Rent deferral was crucial while typical revenue-generating operations were curtailed.
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- **Order Name:** Camarillo Resolution 2020-63 (Temporary Outdoor Dining Program)
 - **Order Number:** Resolution 2020-63
 - **Date Enacted:** 06/10/2020
 - **Date Rescinded:** Allowed to expire or transition once indoor dining reopened in 2021
 - **Order Summary:** To support restaurants facing indoor closures or limited occupancy, the City waived certain zoning requirements so establishments could expand outdoor dining areas.
 - **Impact on Quarter:** In the latter part of Q2 2020, restaurants in Camarillo could seat customers outdoors, but this still constituted an extraordinary operating constraint—strict social distancing and local guidelines limited total available seating. While it allowed partial service, full normal operations were impossible under these conditions.

II. Partial Suspension of Operations in Q2 2020

Contrary to the IRS's disallowance rationale, these orders were clearly "in effect" and collectively forced a partial suspension of normal business activity. Under IRS guidance, a business experiences a "partial suspension" if government mandates limit commerce, travel, or group meetings in a way that has more than a nominal effect on overall operations. In Q2 2020:

- Mandatory stay-home orders closed non-essential workplaces and restricted essential ones to minimal capacity, implementing severe social distancing and occupancy limits.
- Health officer directives required spacing, mask usage, and scheduling adjustments that reduced foot traffic and forced staff to operate under

stringent protocols.

- City and county officials enforced safety or closure requirements, with businesses unable to operate at full scale.
- While some re-openings occurred by mid-May, they only permitted limited or outdoor-only service under strict distancing. This was not normal operation and directly limited business output.

III. Conclusion and Request

Taken together, these orders represent a significant government-imposed restriction on normal activities throughout Q2 2020. Because these mandates forced Advanced Heart Care LLC to modify and curtail its standard operations, we contend that the company qualifies for the ERC under the partial suspension test. We respectfully request the IRS to reverse its disallowance and approve our ERC claim for Q2 2020.

ATTESTATION:

"Under penalties of perjury, I declare that I have submitted this protest and accompanying documents, and to the best of my knowledge and belief, the statements are true, correct, and complete."

Sincerely,

(Signature)

AUTHORIZED REPRESENTATIVE

ADVANCED HEART CARE LLC

ATTACHMENTS:

1. source_1_federalregister.gov.pdf - Proclamation 9994 National Emergency
2. source_2_gov.ca.gov.pdf - California COVID-19 State of Emergency
3. source_3_gov.ca.gov.pdf - Executive Order N-33-20 (Stay-at-Home)
4. source_4_cdph.ca.gov.pdf - State Public Health Officer Order (05/07/2020)
5. source_5_vcportal.ventura.org.pdf - Ventura County Local Health Emergency
6. source_6_vcportal.ventura.org.pdf - Ventura County "Stay Well at Home" Order
7. source_7_vcportal.ventura.org.pdf - Ventura County Public Health Order Updates (Mar-Apr 2020)
8. source_8_vcportal.ventura.org.pdf - "Safely Reopening Ventura County" Order

9. [source_9_docs.vcrma.org.pdf](#) - Ventura County Eviction Moratorium (Urgency Ordinance 4563)
10. [source_10_cityofcamarillo.org.pdf](#) - City of Camarillo Local Emergency Proclamation
11. [source_11_cityofcamarillo.org.pdf](#) - Camarillo Eviction Moratorium Orders
12. [source_12_cityofcamarillo.org.pdf](#) - Camarillo Resolution 2020-63 (Outdoor Dining)