

04/08/2025
Internal Revenue Service
Ogden, UT 84201

EIN: 2344
Taxpayer Name: 3423
RE: Formal Protest of ERC Disallowance for Q2 2020
Tax Period: 2nd Quarter 2020 (2020Q2)

Dear Appeals Officer,

We are writing in response to the IRS notice disallowing 3423's Employee Retention Credit (ERC) claim for Q2 2020 based on the assertion that "no government orders were in effect" during the applicable period. We respectfully disagree with that determination. Multiple federal, state, county, and city government orders were active during Q2 2020 and each contributed to a partial suspension of our normal business operations. The following is a detailed timeline of the relevant orders, including a complete description of each order in the required format, demonstrating that our operations were significantly curtailed by government-mandated restrictions.

- **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DATE RESCINDED: STILL IN EFFECT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 proclamation declared a nationwide emergency due to COVID-19 and activated federal emergency powers. It provided the legal and operational framework that indirectly led to subsequent state and local public health requirements.

Impact on Quarter: The national emergency context established by this order set the stage for enhanced federal and state restrictions that directly affected our ability to conduct regular business operations during Q2 2020.

- **Order Name:** State of Emergency Proclamation – California COVID-19 State of Emergency

ORDER NUMBER: N/A (GOVERNOR'S PROCLAMATION)

DATE ENACTED: 03/04/2020

DATE RESCINDED: STILL IN EFFECT

Order Summary: This proclamation declared a state of emergency in California, empowering the Governor to implement extensive public health measures and emergency protocols. It legally underpinned the various restrictive orders that followed, including business closure mandates.

Impact on Quarter: The state of emergency justified the imposition of strict public health measures that forced non-essential businesses to halt normal in-person operations throughout Q2 2020.

- **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DATE RESCINDED: 06/15/2021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 order mandated that all California residents remain at home except for essential needs, thereby requiring the closure of non-essential businesses and limiting day-to-day operations.

Impact on Quarter: The stay-at-home order directly caused a partial suspension of our business operations by forcing us to close or significantly limit in-person services during Q2 2020.

- **Order Name:** State Public Health Officer Order (Stage 2 Reopening)

ORDER NUMBER: EO N-60-20

DATE ENACTED: 05/07/2020

DATE RESCINDED: 06/15/2021

Order Summary: This order began a phased reopening by permitting lower-risk businesses to resume operations under strict modifications while keeping higher-risk operations closed. It required businesses to implement significant operational adjustments to comply with continued public health protocols.

Impact on Quarter: Although this order allowed for a cautious reopening later in Q2 2020, the continuing restrictions and mandated modifications substantially limited our operational capacity and contributed to a partial suspension of normal business activity.

- **Order Name:** Ventura County Local Health Emergency – Declaration of Local Health Emergency

ORDER NUMBER: NOT APPLICABLE

DATE ENACTED: 03/12/2020

DATE RESCINDED: STILL IN EFFECT

Order Summary: This local health emergency declaration empowered Ventura County officials to enforce health directives and implement additional safety measures throughout the county.

Impact on Quarter: As a direct enabler of county-level mandates and restrictions, this order compelled our business to comply with local health guidelines that further curtailed operations during Q2 2020.

- **Order Name:** Local Emergency Proclamation (Camarillo)

ORDER NUMBER: EOC DIRECTOR ORDER NO. 20-1

DATE ENACTED: 03/13/2020

DATE RESCINDED: STILL IN EFFECT

Order Summary: The City of Camarillo declared a local emergency in response to the COVID-19 outbreak, activating its Emergency Operations Center and initiating a series of local measures, including the closure of city facilities and cancellation of public events.

Impact on Quarter: This city order imposed additional restrictions and modifications on local activities, directly affecting our operations by limiting access to city services and contributing to the overall partial suspension of business conducted in Camarillo during Q2 2020.

These orders collectively established a legal framework that mandated significant restrictions on business operations. The cumulative effect of these directives unquestionably resulted in a partial suspension of our business functions during Q2 2020. We respectfully assert that the disallowance of our ERC claim on the basis that “no government orders were in effect” is contrary to the documented facts.

REVENUE DATA:

No revenue data was provided for Q2 2020. Therefore, no revenue figures or analysis have been included in this protest.

ATTACHMENTS:

1. source_1_gov.ca.gov.pdf - Governor Newsom’s State of Emergency Proclamation for COVID-19.
2. source_2_gov.ca.gov.pdf - Executive Order N-33-20 mandating the statewide stay-at-home order.
3. source_3_vcportal.ventura.org.pdf - Ventura County public health orders and emergency declarations as enforced locally.
4. source_4_cms7files.revize.com.pdf - Camarillo City Emergency Proclamation and related resolutions.

We appreciate your prompt reconsideration of our ERC claim in light of the government orders that clearly imposed a partial suspension of our operations throughout Q2 2020.

Sincerely,

[Authorized Representative]

3423

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."