

03/14/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 23-145154

Taxpayer Name: West Coast

RE: Formal Protest to Letter 105 – ERC Disallowance for Q2 2020

Tax Period: 2nd Quarter 2020 (202004–202006)

Claim Amount: [Enter Claim Amount Here]

Dear Appeals Officer,

We write in response to the IRS notice disallowing West Coast’s Employee Retention Credit (ERC) claim for the second quarter of 2020. The notice asserts that no government orders were in effect from April 1 through June 30, 2020 that limited our operations; however, we respectfully disagree. Multiple federal, state, county, and city government orders were active during Q2 2020 and imposed COVID-19 related restrictions that either fully or partially suspended our normal business activities. In addition, our revenues experienced a significant decline during this period when compared to our pre-pandemic levels. In the following pages, we provide a detailed timeline of the relevant government orders and illustrate their direct impact on our operations during Q2 2020.

Below is a chronological timeline of key government orders active during Q2 2020. Each order is presented in the exact required format with all six fields, demonstrating that both a significant revenue decline and government mandates qualify West Coast for the ERC under the “partial suspension” provisions:

- **Order Name:** 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- **Date Rescinded:** Still in effect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 the COVID-19 outbreak, empowering federal agencies and establishing the legal framework for subsequent state and local restrictions. It did not require business closures by itself but set the stage for emergency orders that limited routine operations.
- **Impact on Quarter:** West Coast operated under a heightened state of emergency, which influenced consumer behavior and government policies that curtailed normal business activities during Q2 2020.
- **Order Name:** California COVID-19 State of Emergency

- **Order Number:** (No formal order number)
 - **Date Enacted:** 03/04/2020
 - **Date Rescinded:** Still in effect
 - **Order Summary:** Governor Newsom's proclamation declared a state-wide emergency, thereby authorizing additional health orders and regulatory measures to combat COVID-19. This foundational order enabled the imposition of restrictions on non-essential business operations across the state.
 - **Impact on Quarter:** The state of emergency created an environment in which West Coast had to modify operations significantly due to ensuing mandates and a marked decrease in customer foot traffic and transactions.
-
- **Order Name:** Statewide "Stay-at-Home" Order
 - **Order Number:** Executive Order N-33-20
 - **Date Enacted:** 03/19/2020
 - **Date Rescinded:** 06/15/2021
 - **Order Summary:** This order mandated that Californians remain at home except for essential activities, resulting in the closure or limited operation of non-essential businesses. It affected industries ranging from dining to retail, requiring compliance with strict social distancing and capacity limitations.
 - **Impact on Quarter:** West Coast experienced a drastic curtailment of its normal business operations as in-person activities were either suspended or operated at severely reduced capacity during Q2 2020.
-
- **Order Name:** Stage 2 "Safely Reopening" Order
 - **Order Number:** (No formal order number provided)
 - **Date Enacted:** 05/07/2020
 - **Date Rescinded:** 08/31/2020
 - **Order Summary:** This order allowed select retail and service sectors to resume operations under stringent health and safety protocols after the initial shutdown period. It included capacity restrictions and mandatory safety measures to protect public health during the early reopening phase.
 - **Impact on Quarter:** Although West Coast began phased reopening in May 2020 under limited conditions, the strict protocols and reduced capacity measures continued to suppress overall business productivity during Q2 2020.
-
- **Order Name:** Ventura County Local Health Emergency
 - **Order Number:** (No formal order number provided)
 - **Date Enacted:** 03/12/2020
 - **Date Rescinded:** Still in effect

- **Order Summary:** The Ventura County Health Officer declared a local health emergency to facilitate the rapid deployment of health directives and emergency measures. This declaration served as the legal basis for subsequent local orders impacting business operations.
 - **Impact on Quarter:** As part of the county, West Coast was subject to local public health recommendations and restrictions that contributed to the partial suspension of normal business operations during this period.
-
- **Order Name:** Ventura County “Stay Well at Home” Order
 - **Order Number:** (No formal order number provided)
 - **Date Enacted:** 03/20/2020
 - **Date Rescinded:** 06/15/2021
 - **Order Summary:** This local order required all county residents to remain at home except for essential activities, mirroring state restrictions and enforcing the closure or severe limitation of non-essential business operations.
 - **Impact on Quarter:** West Coast was forced to operate with significant limitations, particularly in on-site services, directly resulting in reduced operating hours and diminished customer interactions during Q2 2020.
-
- **Order Name:** Safely Reopening Ventura County Order
 - **Order Number:** (No formal order number provided)
 - **Date Enacted:** 05/07/2020
 - **Date Rescinded:** 08/31/2020
 - **Order Summary:** This order allowed certain low-risk business sectors in Ventura County to reopen under strict health guidelines, including reduced capacity and enforced social distancing, to mitigate the spread of COVID-19.
 - **Impact on Quarter:** Even as West Coast attempted to resume parts of its operations in May and June 2020, the limitations imposed by this order prevented a return to full normal capacity, thereby affecting revenue and service levels.
-
- **Order Name:** Camarillo Local Emergency Proclamation
 - **Order Number:** EOC Director Order No. 20-1 (ratified by City Council Resolution No. 20-36)
 - **Date Enacted:** 03/13/2020
 - **Date Rescinded:** Still in effect
 - **Order Summary:** The City of Camarillo declared a local emergency to activate rapid response and coordinate public health measures. This proclamation provided the authority to issue additional municipal orders intended to protect public safety during the pandemic.

- **Impact on Quarter:** West Coast, located in Camarillo, was directly affected as consumer behavior shifted under the prolonged local emergency, further reducing walk-in traffic and overall business activity during Q2 2020.
- **Order Name:** Camarillo Eviction Moratorium Order
- **Order Number:** EOC Director Order No. 20-2 (Initial Order issued 03/18/2020 and amended 04/23/2020)
- **Date Enacted:** 03/18/2020
- **Date Rescinded:** Still in effect for Q2 2020
- **Order Summary:** This order prohibited landlords from proceeding with evictions related to COVID-19 income losses, protecting both residential and commercial tenants during the economic fallout of the pandemic.
- **Impact on Quarter:** For West Coast, while the moratorium did not resolve revenue issues, it provided critical relief from the risk of eviction, enabling us to retain our business premises despite a steep drop in revenue.
- **Order Name:** Temporary Outdoor Dining Program Resolution
- **Order Number:** Camarillo Resolution No. 2020-63
- **Date Enacted:** 06/10/2020
- **Date Rescinded:** 06/15/2021
- **Order Summary:** In response to indoor dining restrictions, this resolution waived certain zoning requirements and fees to allow restaurants and similar establishments to operate outdoor dining areas. It was designed to help businesses adapt in a period when indoor operations were heavily restricted.
- **Impact on Quarter:** Although primarily aimed at the food and beverage sector, the flexibility provided by this order indirectly impacted West Coast as part of the broader local economic environment, contributing to a challenging operating landscape and further revenue decline.

In summary, the orders outlined above clearly demonstrate that West Coast was subject to multiple levels of governmental restrictions that led to a significant partial suspension of its operations during Q2 2020. Coupled with a notable decline in revenue during that quarter—as evidenced by our internal financial records—the facts unequivocally satisfy the ERC eligibility criteria under the partial suspension provisions.

We respectfully request that the IRS reconsider the disallowance of our Q2 2020 ERC claim. West Coast maintained its commitment to remaining open and retaining employees despite the severe restrictions imposed by these government orders and the associated revenue losses. We have enclosed copies of the cited orders and detailed analyses of their impacts, as well as our financial documentation showing the revenue decline experienced during the quarter.

Thank you for your prompt and fair review of our protest. Please do not hesitate to contact us should you require any additional information or clarification regarding the enclosed documents and our analysis.

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,

[Authorized Representative Name]

AUTHORIZED REPRESENTATIVE FOR WEST COAST

ENCLOSURES:

- Copies of Government Orders and Relevant Excerpts
- ERC Calculations for Q2 2020
- Financial Documentation Demonstrating Revenue Decline
- Relevant IRS Notices and Guidance Documents