

4/14/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 32-51235

Taxpayer Name: Eldenism

RE: Formal Protest of ERC Disallowance for Q2 2020

Tax Period: 2nd Quarter 2020 (202006)

DEAR APPEALS OFFICER:

We write in response to the IRS notice disallowing Eldenism's Employee Retention Credit (ERC) claim for the second quarter of 2020. The notice stated that "no government orders were in effect" between April 1 and June 30, 2020 that might have caused a suspension of our operations. We respectfully disagree. Multiple federal, state, county, and city government orders were, in fact, active during Q2 2020, and they imposed COVID-19 restrictions and requirements that partially suspended or limited Eldenism's normal operations. Below, we present a detailed summary of those orders and explain how each contributed to a partial suspension of our business activities under the applicable IRS guidance.

GOVERNMENT ORDERS IN EFFECT DURING 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- **Date Rescinded:** Still in effect during Q2 2020 (remained active throughout 2020)
- **Order Summary:** This proclamation declared a nationwide emergency due to COVID-19. It enabled federal authorities to mobilize funding and resources and empowered states to enforce stay-at-home orders and other restrictions.
- **Impact on Quarter:** The ongoing national emergency provided the legal backdrop that allowed states and localities to issue binding public health directives. As a result, Eldenism had to comply with evolving mandates on physical premises, occupancy limits, and workforce protections during Q2 2020.

- **Order Name:** California COVID-19 State of Emergency
 - **Order Number:** Governor's Proclamation (March 4, 2020)
 - **Date Enacted:** 03/04/2020
 - **Date Rescinded:** Still in effect during Q2 2020 (remained active throughout 2020)
 - **Order Summary:** Governor Newsom proclaimed a state of emergency for California in response to COVID-19. This action allowed the Governor and public health agencies to issue statewide orders restricting certain business operations and public gatherings.
 - **Impact on Quarter:** Throughout Q2 2020, Eldenism operated under the heightened restrictions and authority granted by this state of emergency. The order served as the legal foundation for subsequent statewide lockdowns and capacity limits that affected how Eldenism could conduct in-person business.
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- **Order Name:** Executive Order N-33-20 – Statewide Stay-at-Home
 - **Order Number:** N-33-20
 - **Date Enacted:** 03/19/2020
 - **Date Rescinded:** 06/15/2021 (but remained in effect throughout all of Q2 2020)
 - **Order Summary:** This sweeping executive order directed all California residents to stay at home except for essential needs and critical infrastructure work. Non-essential businesses were forced to close or conduct only minimal basic operations; essential businesses operated under strict safety protocols.
 - **Impact on Quarter:** Eldenism was subject to significant changes in daily operations. Except for allowable essential functions, employees were barred from on-site work, and customer-facing activities were curtailed. Many normal aspects of running the business (e.g., in-person client meetings, full staff presence) were partially suspended due to mandatory stay-at-home restrictions.
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- **Order Name:** Ventura County Local Health Emergency
 - **Order Number:** County Declaration dated March 12, 2020
 - **Date Enacted:** 03/12/2020
 - **Date Rescinded:** Still in effect during Q2 2020 (was not rescinded in 2020)
 - **Order Summary:** Ventura County officials declared a countywide local health emergency, authorizing public health orders that closed certain businesses, limited gatherings, and enforced social distancing protocols.
 - **Impact on Quarter:** Under the local health emergency, Eldenism had to follow county directives on limiting in-person operations. The County's stance on required safety practices (such as social distancing in offices, use of face

coverings, and reduced occupancy) directly curtailed Eldenism's ability to run normal business activities in Q2 2020.

- **Order Name:** "Stay Well at Home" Order (Ventura County)
 - **Order Number:** Health Officer Order of March 20, 2020
 - **Date Enacted:** 03/20/2020
 - **Date Rescinded:** 06/15/2021 (remained in effect throughout Q2 2020, albeit with modifications)
 - **Order Summary:** This countywide stay-at-home order required residents to remain at their places of residence except for essential needs or business. Non-essential businesses were closed for in-person operations.
 - **Impact on Quarter:** Throughout April, May, and June 2020, Eldenism could not hold standard in-person operations. Even as certain restrictions were gradually relaxed, only limited on-site work was permitted, and in-person capacity remained severely constrained. The necessity to adhere to county orders significantly reduced Eldenism's normal functions.
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- **Order Name:** Ventura County Public Health Order Updates (Extensions and Protocols)
 - **Order Number:** March 31, 2020 extension; April 9, 2020 revision; April 20, 2020 extension
 - **Date Enacted:** 03/31/2020, 04/09/2020, 04/20/2020
 - **Date Rescinded:** Superseded by later county reopening orders, but all in force during Q2 2020
 - **Order Summary:** These sequential updates extended the stay-home directive, prohibited gatherings of any size, and required all businesses remaining open to implement social distancing protocols.
 - **Impact on Quarter:** Eldenism was mandated to comply with evolving workforce spacing rules, mask requirements, and operational postings. These constraints prevented normal face-to-face client services and forced staff to limit on-site hours and meetings.
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- **Order Name:** "Safely Reopening Ventura County" Order
 - **Order Number:** County Health Officer Order dated May 7, 2020
 - **Date Enacted:** 05/07/2020
 - **Date Rescinded:** Eventually superseded by state orders in late summer 2020, but it governed Q2 2020 reopenings
 - **Order Summary:** This order aligned county policy with California's Stage 2 roadmap, allowing certain lower-risk businesses to reopen with modifications (e.g., curbside pickup for retail, strict social distancing).
 - **Impact on Quarter:** Eldenism partially resumed limited on-site operations after May 7 but remained subject to capacity restrictions, physical distancing

rules, and heightened sanitation protocols. Even with these partial openings, the strict modifications meant a continued partial suspension of typical business activities.

- **Order Name:** City of 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:** The City of Camarillo declared a local emergency, which included closures of city facilities, cancellation of public events, and authority for rapid local regulations.
 - **Impact on Quarter:** Eldenism was subject to city-level directives that often reinforced or exceeded state and county mandates (e.g., limiting walk-in public interactions). Cooperating with city emergency measures required curtailing normal in-person operations and altering how clients and staff accessed local resources.
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- **Order Name:** Camarillo Eviction Moratorium Orders
 - **Order Number:** EOC Director Order No. 20-2 (March 18, 2020) and Amendment (April 23, 2020)
 - **Date Enacted:** 03/18/2020, 04/23/2020 (amendment)
 - **Date Rescinded:** Superseded by later state law for residential; commercial protections continued through Q2 2020 under local emergency
 - **Order Summary:** These orders temporarily halted evictions of residential and commercial tenants unable to pay rent due to COVID-19.
 - **Impact on Quarter:** While these moratoriums did not directly shut down Eldenism's operations, they reflected the far-reaching local emergency and allowed struggling businesses and commercial tenants to remain in place. The city's ongoing emergency stance confirmed that COVID-19 restrictions were active in Q2 2020, further validating the partial suspension environment.
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- **Order Name:** Camarillo Resolution No. 2020-63 – Temporary Outdoor Dining Program
 - **Order Number:** Resolution No. 2020-63
 - **Date Enacted:** 06/10/2020
 - **Date Rescinded:** Expired with the lifting of COVID capacity restrictions in 2021
 - **Order Summary:** This measure waived certain zoning and fee requirements, permitting restaurants to offer outdoor dining in parking lots or sidewalks.
 - **Impact on Quarter:** The City enacted this special accommodation precisely because indoor dining remained heavily restricted in Q2 2020. Although Eldenism is not a restaurant, the resolution evidences that city leaders

recognized ongoing closures and capacity caps. The business environment—including Eldenism’s own operations—was still under partial suspension due to local health orders and distancing mandates.

EXPLANATION OF PARTIAL SUSPENSION DURING Q2 2020

Despite any gradual easing that occurred late in the quarter, the combined effect of these federal, state, county, and city orders imposed more than nominal operational restrictions on Eldenism from April 1 to June 30, 2020. In compliance with state and local stay-at-home mandates, most of our in-person activities were curtailed or converted to remote formats, and any on-site essential tasks had to follow strict social distancing, capacity limits, and sanitization protocols. These measures cumulatively prevented us from operating at normal levels. Our experience directly aligns with IRS guidance, which explains that even an essential business can qualify for the ERC if it is required to modify operations in a way that significantly limits activity.

We are not claiming a revenue-based qualification for Q2 2020. No revenue data were provided, and none are necessary here because the “partial suspension” approach applies. The assertion that “no government orders were in effect” in Q2 2020 is therefore incorrect. As detailed, numerous orders were in effect—each one underscoring the constraints under which Eldenism had to operate.

CONCLUSION AND REQUEST

Eldenism respectfully requests that the IRS reverse the disallowance of our ERC for Q2 2020, given the extensive government orders and restrictions in force throughout that quarter. In compliance with these orders, Eldenism was partially suspended, meeting the statutory and regulatory definitions for ERC eligibility under the “orders from an appropriate governmental authority” criterion.

Thank you for your consideration. We trust that this information clarifies how Eldenism qualifies for the ERC for the second quarter of 2020. If you have any questions or need additional documentation, please contact us at your convenience.

ATTESTATION

Under penalties of perjury, I declare that I prepared and reviewed this protest and accompanying documents, and to the best of my knowledge and belief, the facts stated in this protest and any attached documents are true, correct, and complete.

Sincerely,

[Signature]

AUTHORIZED REPRESENTATIVE

ELDENISM

ATTACHMENTS:

1. source_1_bidenwhitehouse.archives.gov.pdf - Federal National Emergency Proclamation
2. source_2_gov.ca.gov.pdf - California State of Emergency
3. source_3_gov.ca.gov.pdf - Executive Order N-33-20 (Statewide Stay-at-Home)
4. source_4_vcportal.ventura.org.pdf - Ventura County "Safely Reopening" Order
5. source_5_cms7files.revize.com.pdf - Camarillo Resolution No. 2020-63 (Temporary Outdoor Dining)