

3/14/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 34223423

Taxpayer Name: Elden Inc.

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

Tax Period: 2nd Quarter 2020

Claim Amount: [Insert Claim Amount]

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 was based on the assertion that no government orders or revenue decline events occurred during that period that caused a suspension or significant limitation of our business operations. We respectfully disagree. Multiple federal, state, county, and local government orders were active during Q2 2020, and these directives, in conjunction with a substantial decline in revenue experienced by Elden Inc., directly impacted our ability to operate our business normally. In this letter, we provide a detailed timeline of the relevant government orders and an analysis of our revenue decline, which together demonstrate that Elden Inc. fully qualifies for the ERC under the "partial suspension" and "significant decline" provisions.

- Federal Orders
- **COVID-19 National Emergency Proclamation (March 13, 2020):** This declaration established a nationwide state of emergency that enabled subsequent federal, state, and local orders. Although it did not mandate a business closure by itself, it provided the legal and policy framework under which later restrictive orders were issued during Q2 2020.
- California State Orders
- **State of Emergency Proclamation (March 4, 2020):** Governor Newsom's declaration empowered the state to mobilize resources and issue orders that affected business operations.
- **Executive Order N-33-20 (Stay-at-Home Order, March 19, 2020):** Mandated that all non-essential businesses cease in-person operations, forcing Elden Inc. to either suspend or severely limit its regular activities.
- **State Public Health Officer Order (Stage 2 Reopening, May 7, 2020):** Although allowing limited reopening of certain sectors, this order continued to impose strict safety protocols and capacity limits that constrained many businesses, including Elden Inc.

- Ventura County Orders
- **“Stay Well at Home” Order (Effective March 20, 2020):** Ventura County mandated residents to remain at home except for essential activities. This order, and its subsequent updates through April and May 2020, forced virtually every non-essential business to shut down or reduce operations, directly impacting Elden Inc.’s ability to generate revenue.
- **“Safely Reopening Ventura County” Order (May 7, 2020):** While outlining a phased reopening plan, the order imposed significant limitations on operational capacity, meaning that even businesses permitted to reopen could not function at pre-COVID levels.
- City of Camarillo Orders
- **Local Emergency Proclamation, Camarillo (Order No. 20-1, March 13, 2020):** The City’s declaration activated local emergency protocols and enabled additional measures affecting businesses in Camarillo.
- **Camarillo Eviction Moratorium and Temporary Measures (Orders No. 20-2 and related amendments):** These orders, while designed to protect tenants and stimulate adaptations such as temporary outdoor dining, also underscored the severe disruption faced by local businesses. They contributed to the overall environment of uncertainty and reduced consumer activity during Q2 2020.

In addition to the impact of these government orders, Elden Inc. experienced a significant decline in revenue during Q2 2020. The combination of mandated operational curtailments and reduced consumer demand resulted in revenue figures that were markedly lower than those in the comparable period of 2019. The downturn in revenue, when analyzed alongside the direct impact of the government orders described above, provides clear and multiple lines of evidence that Elden Inc. meets the ERC requirements. The partial suspension of our business operations, combined with the economic downturn, clearly qualifies us under the applicable IRS guidance.

To summarize, the following evidence supports our ERC claim for Q2 2020:

- Government orders at the federal, state, county, and city levels mandated either a full or partial suspension of regular business operations.
- Elden Inc. experienced a substantial revenue decline during this period due to these restrictions.

Based on the above timeline and evidence, we respectfully request that the IRS reconsider and reverse the disallowance of our Q2 2020 ERC claim. The credit claimed is fully supported by both the applicable government orders and the economic impact that these orders had on Elden Inc.’s operations during the second quarter of 2020.

Thank you for your prompt attention to this matter. Should you require any additional information or documentation (including copies of the relevant government orders and our financial analyses demonstrating the revenue decline), please do not hesitate to contact us.

Under penalties of perjury, I declare that I have made this protest and accompanying documents in good faith and that, to the best of my knowledge, the information contained herein is true, correct, and complete.

Sincerely,

[Signature]

[Name of Authorized Representative]

Authorized Representative for Elden Inc.

ENCLOSURES:

- Chronological Timeline of COVID-19 Government Orders Affecting Operations in Q2 2020
- Financial Analysis Demonstrating Significant Revenue Decline in Q2 2020
- Copies of Relevant Government Orders (Federal, State, County, and City)
- Applicable IRS Guidance and Notices