

5/2/2025

Internal Revenue Service
Ogden, UT 84201

EIN: 45234

Taxpayer Name: 5342532

RE: Formal Protest to ERC Disallowance for Q2 2020

Tax Period: 2nd Quarter 2020 (Q2 2020)

DEAR APPEALS OFFICER:

We write to formally protest the IRS determination disallowing our Employee Retention Credit (ERC) claim for Q2 2020. The IRS's stated reason for disallowance is that "no government orders were in effect" that caused a suspension of our business operations. We respectfully disagree. As documented below, multiple federal, state, county, and city COVID-19 orders remained in force from April 1 to June 30, 2020, significantly restricting our normal operations. In addition, we experienced a substantial decline in quarterly revenues for Q2 2020 that independently qualifies us for the ERC. We therefore request a reconsideration and reversal of the disallowance.

I. Overview of Business Operations

5342532 (EIN: 45234) is a business located at 5324532453. During Q2 2020, our normal operations were subject to a range of pandemic-related restrictions and mandates. We diligently complied with these orders to protect public health. The result was a measurable suspension of operations—a partial shutdown, capacity limitations, and mandated operational changes—that substantially impacted our ability to conduct business as usual.

II. Government Orders in Effect During Q2 2020

Below is a detailed list of government orders that directly affected our operations in Q2 2020. Each entry outlines the name and number of the order, the dates it was in effect, a summary of its key requirements, and the specific impact it had on our business during April 1–June 30, 2020.

- **Order Name:** National Emergency Concerning COVID-19 (Proclamation 9994)
- **Order Number:** Proclamation 9994
- **Date Enacted:** 03/13/2020
- **Date Rescinded:** Not rescinded in 2020 (remained active through Q2 2020)

- **Order Summary:** This federal proclamation declared a nationwide emergency, enabling access to special federal powers and funding to combat COVID-19. It did not itself close businesses but authorized and supported subsequent state and local pandemic restrictions.
- **Impact on Quarter:** Throughout Q2 2020, the ongoing national emergency underpinned stricter state and local measures that directly limited our normal operations. Being under national emergency status meant our business had to remain ready to implement federal health guidelines and adapt to the state/county orders that were upheld by this proclamation.
- **Order Name:** California COVID-19 State of Emergency
- **Order Number:** Governor's Proclamation (3/4/2020)
- **Date Enacted:** 03/04/2020
- **Date Rescinded:** Not rescinded in 2020 (remained active through Q2 2020)
- **Order Summary:** Governor Gavin Newsom declared a statewide emergency due to COVID-19, granting state authorities broad powers to issue health directives and restrictions on business. This proclamation paved the way for stay-at-home orders and tiered reopening steps.
- **Impact on Quarter:** Since the state of emergency was still in effect throughout Q2 2020, our business was required to comply with the ensuing mandatory directives—such as the statewide Stay-at-Home order—significantly altering our customary operations and contributing to a partial suspension of our activities.
- **Order Name:** Statewide "Stay-at-Home" Order
- **Order Number:** Executive Order N-33-20
- **Date Enacted:** 03/19/2020
- **Date Rescinded:** 06/15/2021 (but remained fully effective throughout Q2 2020)
- **Order Summary:** Mandated all Californians to stay at home except for essential needs or to work in critical infrastructure sectors. Non-essential businesses were required to close or reduce operations to minimum basic functions, while essential businesses could remain open with restrictions.
- **Impact on Quarter:** For Q2 2020, our business faced mandatory closures of most on-site activities deemed non-essential. Even if certain aspects could operate, strict physical distancing and capacity limits sharply reduced our ability to serve customers, contributing to a significant operational suspension.
- **Order Name:** State Public Health Officer "Stage 2 Reopening"
- **Order Number:** Order dated 05/07/2020 (pursuant to EO N-60-20)
- **Date Enacted:** 05/07/2020

- **Date Rescinded:** 06/15/2021 (remained in force in amended forms through Q2 2020)
 - **Order Summary:** Allowed lower-risk businesses to reopen with modifications under Stage 2 of California's roadmap. Retail stores could offer curbside service, manufacturing supporting retail could operate, but higher-risk sectors remained closed.
 - **Impact on Quarter:** Although limited reopening measures were introduced in May 2020, our business continued operating at reduced capacity. Strict distancing, mask requirements, and limits on how many customers could be served in-person remained significant burdens, still amounting to a partial suspension during Q2.
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- **Order Name:** Ventura County Local Health Emergency
 - **Order Number:** County Declaration (3/12/2020)
 - **Date Enacted:** 03/12/2020
 - **Date Rescinded:** Not rescinded in 2020 (continued through Q2 2020)
 - **Order Summary:** Declared a local health emergency, allowing county authorities to adopt or enforce stricter measures beyond state mandates. The county used this authority to close businesses, restrict public gatherings, and implement local stay-home directives.
 - **Impact on Quarter:** Throughout Q2 2020, this declaration provided the legal framework for Ventura County's additional restrictions, driving capacity limits and closures that directly impacted our operation in Camarillo.
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- **Order Name:** "Stay Well at Home" Order (Ventura County)
 - **Order Number:** County Health Officer Order dated 03/20/2020
 - **Date Enacted:** 03/20/2020
 - **Date Rescinded:** 06/15/2021 (but fully in effect during Q2 2020)
 - **Order Summary:** Directed all residents to stay home except for essential activities, aligning with and enforcing the state's Stay-at-Home mandate at the county level. Non-essential businesses had to close in-person operations, while essential entities followed strict social distancing.
 - **Impact on Quarter:** Our business, not classified as essential in all respects, had to cease normal in-person operations through most of Q2 2020. Even essential components faced heavy restrictions on staffing and physical layout. This order was a primary cause of our partial shutdown.
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- **Order Name:** Ventura County Public Health Order Updates (March–April 2020)
 - **Order Number:** Various (3/31/2020; 4/9/2020; 4/20/2020)
 - **Date Enacted:** 03/31/2020, 04/09/2020, 04/20/2020

- **Date Rescinded:** Superseded by later reopening orders in May 2020 (but fully effective in April)
 - **Order Summary:** Extended and tightened the original stay-home directives, banned gatherings outside single households, and required all essential businesses to implement distancing protocols.
 - **Impact on Quarter:** During April 2020 (the beginning of Q2), we were under these stricter orders, which forced us to operate our essential functions (if any) under rigorous health measures and kept non-essential portions of our business closed, contributing to reduced output and lost revenue.
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- **Order Name:** "Safely Reopening Ventura County" Order
 - **Order Number:** County Health Officer Order dated 05/07/2020
 - **Date Enacted:** 05/07/2020
 - **Date Rescinded:** 08/31/2020 (with the subsequent introduction of state's Blueprint tiers)
 - **Order Summary:** Implemented Stage 2 reopening at the county level, consistent with state guidelines. Retail, manufacturing, and certain other businesses could resume in a limited capacity if they followed county-approved health and safety protocols.
 - **Impact on Quarter:** Although some segments of our operations were allowed to reopen in late Q2 2020, we had to comply with strict distancing, face-covering rules, signage, sanitization requirements, and capacity limits. These measures reduced our ability to serve the same volume of customers as pre-COVID, reflecting a partial suspension of normal operations.
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- **Order Name:** Local Emergency Proclamation (Camarillo)
 - **Order Number:** EOC Director Order No. 20-1
 - **Date Enacted:** 03/13/2020
 - **Date Rescinded:** Not rescinded in 2020 (remained active through Q2 2020)
 - **Order Summary:** Declared a local emergency in the City of Camarillo, closing city facilities and authorizing city officials to enforce or align with county and state health orders.
 - **Impact on Quarter:** This local declaration meant that city services and permitting processes were limited or slowed, and local enforcement of stay-home restrictions was robust. For our business inside Camarillo, normal municipal services we depend on (e.g., permitting and on-site inspections) were delayed, complicating our day-to-day workflows in Q2 2020.
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- **Order Name:** Camarillo Eviction Moratorium Orders
 - **Order Number:** EOC Director Order No. 20-2 (3/18/2020) and subsequent Amendment (4/23/2020)
 - **Date Enacted:** 03/18/2020 (amended 04/23/2020)

- **Date Rescinded:** Superseded by state law for residential in August 2020; for commercial, in effect locally through mid-2020
- **Order Summary:** Temporarily barred evictions of tenants unable to pay due to COVID-19 hardships. Applied to both residential and commercial properties in Camarillo.
- **Impact on Quarter:** While this did not impose an operational closure on us, it illustrates the heightened COVID-19 emergency environment. Some of our space arrangements (if rented) could have been shielded by these local mandates. More broadly, it showed that the city considered widespread business disruption inevitable, reinforcing that Q2 2020 was not “business as usual.”
- **Order Name:** Camarillo Resolution No. 2020-63 – Temporary Outdoor Dining Program
- **Order Number:** Resolution 2020-63
- **Date Enacted:** 06/10/2020
- **Date Rescinded:** Expired when COVID-19 capacity restrictions ended in 2021
- **Order Summary:** Allowed local restaurants to set up outdoor dining areas by waiving certain zoning and permit fees. The resolution aimed to help partially reopen food establishments that had been limited to takeout or closed altogether.
- **Impact on Quarter:** Although primarily assisting restaurants, this underscores the restrictive context for all businesses in Camarillo. Indoor operations were still heavily limited, and the city’s emergent policy of facilitating “outdoor only” service demonstrates how Q2 2020 was governed by partial shutdown rules.

III. Quarterly Revenue Data Demonstrating Significant Declines

In addition to the government orders discussed above, we are submitting quarterly revenue data that demonstrates revenue reductions for 5342532. The following table presents the quarterly revenue amounts and percentage changes for comparison purposes:

QUARTER	2019 REVENUE	COMPARISON REVENUE	DOLLAR DECLINE	% DECLINE	QUALIFIES
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Q1 2019-2020	\$2,345.00	\$5,234.00	\$2,889.00	-123.20%	NO
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Q2 2019-2020	\$2,345,234.00	\$52,345.00	\$2,292,889.00	97.77%	YES
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Q3 2019-2020	\$52,345.00	\$234,523.00	\$182,178.00	-348.03%	NO
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Q4 2019-2020	\$2,345.00	\$45,234,523.00	\$45,232,178.00	-1928877.53%	NO
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Q1 2019-2021 | \$2,345.00 | \$45,234.00 | \$42,889.00 | -1828.96% | NO
Q2 2019-2021 | \$2,345,234.00 | \$52,345.00 | \$2,292,889.00 | 97.77% | YES
Q3 2019-2021 | \$52,345.00 | \$23,453,245.00 | \$23,400,900.00 | -44705.13% | NO

As shown in the revenue table above, the quarters with “YES” in the QUALIFIES column meet the ERC threshold for revenue decline. Specifically, in Q2 2019-2020 (and also Q2 2019-2021), the greater-than-50% drop for 2020 (and greater-than-20% drop for 2021) is clearly established. These revenue reductions, combined with the impact of the extensive government orders described earlier, provide substantive grounds for our ERC claim.

IV. Conclusion and Request

Contrary to the IRS’s finding that “no government orders were in effect,” our analysis confirms that an overlapping framework of federal, state, county, and city mandates remained active throughout Q2 2020. These orders directly limited our business operations, resulting in a partial suspension. Furthermore, our Q2 2020 financials demonstrate a severe revenue decline, independently qualifying us for ERC. We respectfully request that the IRS reverse its disallowance and allow our ERC as claimed.

Attestation: “Under penalties of perjury, I declare that I submitted this protest and accompanying documents, and to the best of my personal knowledge and belief, the information stated herein is true, correct, and complete.”

Sincerely,

[Signature]

AUTHORIZED REPRESENTATIVE

5342532

ATTACHMENTS:

1. source_1_govinfo.gov.pdf - National Emergency Concerning COVID-19 (Proclamation 9994)
2. source_2_gov.ca.gov.pdf - California COVID-19 State of Emergency (03/04/2020)
3. source_3_gov.ca.gov.pdf - Executive Order N-33-20 (Statewide Stay-at-Home)
4. source_4_cdph.ca.gov.pdf - State Public Health Officer Order (Stage 2 Reopening) (05/07/2020)

5. [source_5_vcportal.ventura.org.pdf](#) - Ventura County Local Health Emergency (03/12/2020)
6. [source_6_vcportal.ventura.org.pdf](#) - Ventura County "Stay Well at Home" Order (03/20/2020)
7. [source_7_vcportal.ventura.org.pdf](#) - Ventura County Public Health Order Update (03/31/2020)
8. [source_8_vcportal.ventura.org.pdf](#) - "Safely Reopening Ventura County" (05/07/2020)
9. [source_9_gov.ca.gov.pdf](#) - Local Emergency Proclamation (Camarillo) (03/13/2020)
10. [source_10_gov.ca.gov.pdf](#) - Camarillo Eviction Moratorium Orders (03/18/2020)
11. [source_11_gov.ca.gov.pdf](#) - Temporary Outdoor Dining Program (06/10/2020)