

03/14/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 43-123512

Taxpayer Name: Elden Inc.

RE: Formal Protest to Letter [ ] – ERC Disallowance for Q2

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

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 notice asserts that no governmental orders were in effect during Q2 2020 that caused a suspension of our operations. We respectfully disagree. Multiple federal, state, county, and city government orders imposed COVID-19 related restrictions that forced a partial suspension of our normal business operations. In the following timeline, we provide a detailed summary of the key orders in effect during Q2 2020 and demonstrate their direct impact on Elden Inc.

#### Timeline of COVID-19 Government Orders Active in Q2 2020

- **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  - **Date Rescinded:** Still in effect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 COVID-19, activating federal emergency powers that enabled subsequent state and local restrictive measures. It established the legal framework underlying many of the orders that followed.
  - **Impact on Quarter:** In Q2 2020, the national emergency provided the basis for stringent public health measures that directly limited Elden Inc.'s normal operations.
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- **Order Name:** California COVID-19 State of Emergency
  - **Order Number:** Not applicable (Governor's Proclamation)
  - **Date Enacted:** 03/04/2020
  - **Date Rescinded:** Still in effect

- **Order Summary:** Governor Newsom's declaration of a state of emergency expedited resource mobilization and facilitated the issuance of further public health orders. It permitted the state to impose measures affecting public gatherings and business activities.
  - **Impact on Quarter:** Throughout Q2 2020, this declaration supported additional orders that limited business hours, capacity, and in-person services, thereby curtailing Elden Inc.'s operational capacity.
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- **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  - **Date Rescinded:** 06/15/2021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 all non-essential businesses close and required residents to remain at home except for essential activities. It forced the suspension or significant curtailment of normal business operations across California.
  - **Impact on Quarter:** During Q2 2020, Elden Inc. experienced a partial suspension of operations due to restrictions on in-person customer interactions and overall business activity as mandated by this order.
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- **Order Name:** Modifying Stay-at-Home (Early Stage 2 Reopening)
  - **Order Number:** State Public Health Officer Order (Issued under EO N-60-20)
  - **Date Enacted:** 05/07/2020
  - **Date Rescinded:** 06/15/2021
  - **Order Summary:** This order allowed certain low-risk businesses to resume limited operations under strict health guidelines while high-risk sectors remained closed. It represented an early phased approach to reopening, albeit under significant operational restrictions.
  - **Impact on Quarter:** Although it permitted some limited economic activity in Q2 2020, Elden Inc. remained bound by capacity limitations and other operational controls, resulting in a continuation of partial suspension.
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- **Order Name:** Countywide Stay-at-Home Order
  - **Order Number:** Stay Well at Home Order
  - **Date Enacted:** 03/20/2020
  - **Date Rescinded:** 06/11/2021
  - **Order Summary:** This county order required all Ventura County residents to remain at home except for essential activities, effectively mandating the closure of non-essential business venues. It reinforced the social distancing measures already in place statewide.

- **Impact on Quarter:** In Q2 2020, this order compounded state restrictions, further curtailing Elden Inc.'s ability to operate at normal capacity by limiting face-to-face interactions and in-person services.
- **Order Name:** City Declaration of Emergency
- **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 COVID-19, enabling rapid response measures and the imposition of local restrictions tailored to the pandemic. This declaration provided the authority for additional public health protocols affecting business operations.
- **Impact on Quarter:** The local emergency further restricted public gatherings and modified operating procedures for businesses in Camarillo, including Elden Inc., which contributed to the partial suspension of our services.

## CONCLUSION AND REQUEST

The series of governmental orders detailed above clearly demonstrate that Elden Inc. was subject to multiple COVID-19 related mandates during Q2 2020 that collectively resulted in a partial suspension of its normal business operations. Based on IRS guidance regarding the ERC eligibility criteria and the "partial suspension" test, we respectfully request that the IRS reconsider its position and reverse the disallowance of our ERC claim for the second quarter of 2020.

Under penalties of perjury, I attest that I have examined the relevant documents and that the facts stated in this protest and the accompanying documentation are true, correct, and complete to the best of my knowledge and belief.

Sincerely,

[Authorized Representative Name]

Authorized Representative for Elden Inc.

## ENCLOSURES:

- Copies of the Government Orders and Relevant Excerpts
- Analysis of Operational Impact for Q2 2020
- Relevant IRS Guidance Documents