

03/27/2025

Internal Revenue Service

Ogden, UT 84201

EIN: 341234123

Taxpayer Name: 3213421

RE: Formal Protest to Letter [Reference Number] – ERC Disallowance for Q2 2020

Tax Period: 2nd Quarter 2020

Dear Appeals Officer,

We write in response to the IRS notice disallowing 3213421's Employee Retention Credit (ERC) claim for the second quarter of 2020. The notice asserted that "no government orders were in effect" during Q2 2020 that resulted in a full or partial suspension of our operations. We respectfully disagree. Government orders issued at the state level imposed significant restrictions on business operations during this period, directly causing a partial suspension. In this protest, we provide a detailed timeline of the relevant government orders and demonstrate their impact on our business operations exclusively with respect to the government orders approach.

Below is a chronological listing of each government order affecting our operations in Q2 2020. Each order is presented in the required format:

- **Order Name:** California COVID-19 State of Emergency
- **Order Number:** Not Applicable
- **Date Enacted:** 03/04/2020
- **Date Rescinded:** Still in effect
- **Order Summary:** This order, declared by the Governor of California on March 4, 2020, activated emergency powers throughout the state. Its declaration empowered state agencies to implement restrictive measures on non-essential activities and laid the legal foundation for subsequent public health orders.
- **Impact on Quarter:** The state of emergency forced the closure of non-essential businesses and mandated strict measures that partially suspended normal operations during Q2 2020.
- **Order Name:** Executive Order N-33-20 – "Statewide 'Stay-at-Home' Order"
- **Order Number:** N-33-20
- **Date Enacted:** 03/19/2020
- **Date Rescinded:** 06/15/2021

- **Order Summary:** Issued on March 19, 2020, this order required Californians to remain at home except for essential activities. The order explicitly mandated the closure of all non-essential business operations across the state.
- **Impact on Quarter:** Through its sweeping restrictions, the order significantly curtailed our ability to operate normally during Q2 2020, thereby creating conditions that constitute a partial suspension of business operations.
- **Order Name:** State Public Health Officer Order (Stage 2 Reopening – May 7 Order)
- **Order Number:** Not Applicable
- **Date Enacted:** 05/07/2020
- **Date Rescinded:** 06/15/2021
- **Order Summary:** This order marked a cautious phase of reopening by allowing lower-risk businesses to resume limited operations while maintaining closures for higher-risk sectors. It was instrumental in slowly reopening parts of the economy under strict guidelines.
- **Impact on Quarter:** Although it permitted a limited reopening, the order imposed operational restrictions and safety protocols that prevented our business from returning to full capacity during Q2 2020.

In light of the above, it is clear that multiple government orders were in effect during Q2 2020 and imposed significant restrictions on our operations. These orders, issued in response to the COVID-19 public health emergency, directly resulted in a partial suspension of our normal business activities. We therefore respectfully request that the IRS reconsider the disallowance of our ERC claim for the second quarter of 2020 based solely on the government orders approach.

Thank you for your attention to this matter. Please do not hesitate to contact us if you require any further information regarding these orders or their impact on our business operations.

Sincerely,

[Signature]

AUTHORIZED REPRESENTATIVE

3213421

ENCLOSURES: COPIES OF THE GOVERNMENT ORDERS AS LISTED ABOVE