



Dean A. Scarborough
Chairman, President and
Chief Executive Officer

Miller Corporate Center
150 North Orange Grove Boulevard
Pasadena, California 91103
Phone 626 304-2148
Fax 626 304-2003
dean.scarborough@averydennison.com

September 17, 2010

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

**Re: File Reference No. 1840-100
Proposed Statement of Financial Accounting Standards
Disclosure of Certain Loss Contingencies**

Dear Mr. Golden:

At Avery Dennison, we are concerned with the proposals put forth by the Financial Accounting Standards Board (FASB) in its July 20, 2010 Exposure Draft of a Proposed Statement of Financial Accounting Standards regarding Disclosure of Certain Loss Contingencies. While well-intentioned, we believe that the proposed amendments of FASB Statement Nos. 5 and 141(R) would require companies to establish burdensome and expensive compliance procedures in order to disclose information that would unfairly expose them to greater litigation and securities liability without meaningfully improving disclosures for investors and other stakeholders interested in accurate and reliable financial information.

As proposed, the Statement would require disclosure of contingencies that could involve a "potential severe impact" on the company regardless of whether the likelihood of such impact is seen as remote or mitigated by insurance or other indemnification arrangements, in contrast to existing standards that treat as immaterial those contingencies that are remote and allow consideration of expected recoveries when assessing claim materiality. Assessing "potential severe impact" would require companies to engage in highly speculative analysis with outside counsel, causing higher legal expenditures and producing information that is neither reliable nor informative. Inclusion of remote outcomes that are at best uncertain is not likely to achieve the intended goal of improved transparency of contingent loss disclosures.

We are also extremely concerned that the proposed standard would threaten attorney-client privilege and the attorney work product doctrine and force corporate defendants to disclose confidential information to existing and potential future plaintiffs, which together would jeopardize the ability of issuers to strategically defend litigation, especially cases based on frivolous claims. Cause for even greater alarm, incorporation of speculative

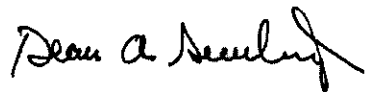
Mr. Russell G. Golden
September 17, 2010
Page 2

forward-looking estimates into financial statements would not be protected under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

We believe that there has been insufficient evidence that the current FAS 5 and SOP 94-6 disclosure requirements are not serving the investment community well and, given the negative consequences discussed above, we fail to appreciate the need to provide more information that ultimately results in less meaningful disclosure. We therefore urge the FASB not to proceed with its proposed disclosure standard relating to loss contingencies. To the extent FASB nevertheless determines to adopt such a statement, we strongly request that the adoption be delayed beyond the proposed effective date for fiscal year ending after December 15, 2010 given the significant number of internal and external processes that adoption would require.

We thank you in advance for considering our comments.

Very truly yours,



DAS/DBD:lg