August 11, 2010

Technical Director
File Reference No. 1840-100
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116


Dear Technical Director:

Allergan, Inc., a Delaware corporation ("Allergan"), appreciates the opportunity to respond to the Financial Accounting Standards Board (the "Board") regarding the Exposure Draft, Proposed Accounting Standards Update, Contingencies (Topic 450), Disclosure of Certain Loss Contingencies (the "Proposed Update"). Allergan is a publicly traded, multi-specialty health care company listed on the New York Stock Exchange under the symbol "AGN."

Although we support the Board’s objective to provide investors and other users of financial statements with adequate and timely information with regard to loss contingencies, we respectfully disagree with the notion that the existing Topic 450 loss contingency guidance is inadequate. We believe that the current Topic 450 guidance, which has been in place and effective for over 30 years, is an excellent example of a principles-based accounting standard that already achieves the objectives of the Proposed Update. We believe that the perceived limitations of current contingency disclosures regarding the likelihood, potential magnitude, and potential timing of future cash outflows is not due to insufficient disclosure requirements, but to the uncertain nature of loss contingencies themselves. By their very nature, contingencies involve complex issues that, when combined with unpredictable internal and external future events, make it impossible to accurately assess on a consistent basis the timing and quantitative impact of future outcomes. The proposed requirements of additional qualitative and quantitative disclosures about contingencies infer an ability to assess and quantify future outcomes that simply does not exist.

With regard to the proposed requirement to disclose publicly available quantitative information related to contingencies, such as amounts claimed by plaintiffs in litigation, we believe that such disclosure may mislead investors and are thus contrary to the stated objectives of the Board. In many situations, the initial amount demanded by plaintiffs does not correspond to a reasonable range of potential loss, and disclosing such demanded amount in the company’s financial statement may be misconstrued by investors to be a reasonable range of potential loss based solely on its inclusion in financial statement disclosure. Additionally, we believe that quantitative information based on internal estimates may prejudice the company’s interests given that such
estimates provide plaintiffs insight into management's opinion of the potential range of loss, which may be used by plaintiffs as a guide in settlement discussions or other litigation proceedings. Without an explicit exemption for prejudicial information, we believe quantitative contingency disclosures will be harmful to interests of companies preparing financial statements in accordance with the Proposed Update.

With regard to the proposed requirement to disclose remote contingencies with potential severe impact, we believe the additional disclosure will have the unintended impact of diminishing the meaningfulness of contingency disclosures in general. As noted above, contingencies are uncertain by their very nature, and remote contingencies are exponentially more difficult to quantify. Without explicit exemptions for frivolous litigation or other extremely remote legal matters, financial statement users may become overwhelmed by the number of contingencies disclosed and have little frame of reference when trying to determine where each litigation matter belongs on the continuum of outcome probability. We believe the current "reasonably possible" criteria for disclosure provides financial statement users with an appropriate and well understood context for evaluating contingency matters and provides meaningful information about the contingencies that are most likely to have a material impact.

**Question 1: Are the proposed disclosures operational? If not, please explain why.**

Answer: No. We believe that the disclosures required in the Proposed Update infer an ability to assess future contingency outcomes with a precision that does not exist. Additionally, we believe the Proposed Update, as currently drafted, would be harmful to companies involved in legal contingencies due to the lack of an explicit exemption for prejudicial information.

**Question 2: Are the proposed disclosures auditable? If not, please explain why.**

Answer: No. Due to the unique nature of legal contingencies, there is often little precedent with regard to the timing or potential amount of the ultimate future outcome. As such, the quantitative and qualitative disclosures with regard to the potential magnitude of a range of loss and potential timing of contingency resolution required in the Proposed Update would, in most cases, not be supported by objective evidence, which is a necessary precondition of audit procedures.

**Question 3: The June 2008 FASB Exposure Draft, Disclosure of Certain Loss Contingencies, had proposed certain disclosures based on management's predictions about a contingency's resolution. The amendments in this proposed Update would eliminate those disclosure requirements such as estimating when a loss contingency would be resolved and the entity's maximum exposure to loss. Do you agree that an explicit exemption from disclosing information that is "prejudicial" to the reporting entity is not necessary because the amendments in this proposed Update would:**

a. Not require any new disclosures based on management's predictions about a contingency's resolution
b. Generally focus on information that is publicly available
c. Relate amounts already accrued in the financial statements
d. Permit information to be presented on an aggregated basis with other similar loss contingencies?

If not, please explain why.

Answer: No. We disagree with the assertion that the Proposed Update does not require any new disclosures based on management’s predictions about a contingency’s resolution. By requiring the inclusion of externally available information in financial statements, the Board is de facto requiring management’s opinion (prediction) related to this external information. If a plaintiff brings a claim against a company for an amount wholly inconsistent with management’s reasonable estimate of a range of loss, it would be misleading for management to only disclose the plaintiff’s claim amount without disclosing that management believes the plaintiff’s amount does not represent a claim that is within a reasonably possible range of loss. Similarly, by requiring disclosure of remote contingencies, companies will be required to disclose a more precise inferred likelihood of outcome, otherwise all frivolous or other remote legal contingencies may be wrongly construed by the financial statement reader as having some higher likelihood of impacting the company.

We also disagree with the assertion that permitting aggregated disclosures eliminates the need for a prejudicial information exemption. It is often the case in legal matters that one legal claim is subject to disclosure with no similar proceedings with which it could be aggregated. Since we believe that disclosure of quantitative ranges of loss estimates are in many cases prejudicial, we believe there must be an explicit exemption of prejudicial information in any update to the required contingency disclosures.

Question 4: Is the proposed effective date operational? If not, please explain why.

Answer: Yes. Under the assumption that all of the problematic provisions of the Proposed Update are remediated, we believe the effective date is operational. However, we strongly prefer that any update be effective for fiscal years beginning after December 15, 2010.

Question 5: Do you believe that the proposed disclosures will enhance and improve the information provided to financial statement users about the nature, potential magnitude, and potential timing (if known) of loss contingencies?

Answer: No. As discussed above, we believe that the Proposed Update would diminish the meaningfulness of current, principles-based contingency disclosures and thus be directly opposed to the stated objectives of the Board.

Question 6: Do you agree that nonpublic entities should be exempt from the tabular reconciliation disclosures required in the amendments in this proposed Update? If not, please explain why. Are there any other aspects of the amendments that should be applied differently to nonpublic entities? If so, please identify and explain why.

Answer: No. We believe that all for-profit, non-governmental enterprises should account for financial information in the same way, under a single set of high quality accounting standards.
We believe allowing for different applications of accounting standards because of company size or public registration on a stock exchange will lead to a confusing proliferation of different accounting treatments for similar transactions, which is contrary to the core concept of comparability of financial statement information. GAAP should be GAAP. Exceptions should be rare.

Question 7: The amendments in this proposed Update would defer the effective date for nonpublic entities for one year. Do you agree with the proposed deferral? If not, please explain why.

Answer: No. Please see our answer to Question 6.

Question 8: Do you believe that the proposed and existing XBRL elements are sufficient to meet the Securities and Exchange Commission’s requirements to provide financial statement information in the XBRL interactive data format? If not, please explain why.

Answer: We have not evaluated the sufficiency of proposed and existing XBRL elements with regard to the Proposed Update. However, to date, we believe the detailed tagging of footnotes in the XBRL interactive data format has not resulted in useful information to users of financial statements, and we would ask the Securities and Exchange Commission to reconsider its requirement to provide detailed tagging of footnotes in the XBRL interactive data format.

Thank you for your consideration.

Sincerely,

James F. Barlow  
Senior Vice President,  
Corporate Controller (Principal Accounting Officer)  
Allergan, Inc.

Marc Veale  
Assistant Corporate Controller  
Allergan, Inc.