

**COMPASS DIVERSIFIED HOLDINGS  
COMPASS GROUP DIVERSIFIED HOLDINGS LLC  
301 Riverside Avenue  
Second Floor  
Westport, Connecticut 06880  
(203) 221-1703**

August 24, 2022

VIA EDGAR SUBMISSION

Division of Corporation Finance  
Office of Manufacturing  
U.S. Securities and Exchange Commission  
100 F Street, North East  
Washington, D.C. 20549-3561  
Attn: Beverly Singleton, Andrew Blume

**Re: Compass Diversified Holdings  
Form 10-K for the Fiscal Year Ended December 31, 2021  
Filed: February 24, 2022  
File No: 001-34927  
Compass Group Diversified Holdings LLC  
Form 10-K for the Fiscal Year Ended December 31, 2021  
Filed: February 24, 2022  
File No: 001-34926**

Ladies and Gentleman:

On behalf of Compass Diversified Holdings (“Holdings”) and Compass Group Diversified Holdings LLC (the “LLC”) (collectively, the “Company”), set forth below is our response to the letter provided by the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) dated August 16, 2022 commenting on the above-captioned Form 10-K for the Fiscal Year Ended December 31, 2021 filed with the Commission on February 24, 2022 (the “Form 10-K”). For your convenience, we have set forth the Staff’s comments in bold, italic typeface followed by our response. References to “we,” “us,” “our” and “Registrant” refer to the Company. All other terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Form 10-K.

**Form 10-K for the Fiscal Year Ended December 31, 2021**

**Financial Statements**

**Note C - Acquisition of Businesses, page F-18**

- 1. We have reviewed your response to comment 1. As part of your proposed disclosure revisions to more fully explain the Holding Company structure you use to conduct your less than wholly-owned business combinations, please ensure that you clearly disclose the pertinent aspects of your intercompany loans. In doing so, disclose that the intercompany loans are funded by Compass Group Diversified Holdings LLC to the Holding Company as part of the Holding Company's initial capitalization and that the Holding Company***

*uses the intercompany loan proceeds to, in turn, fund a portion of the purchase price of the acquired business. In addition, clarify that the selling security holders are not a party to the intercompany loan agreement nor have any obligation to repay the intercompany loans, but rather are a recipient of such proceeds in the purchase consideration.*

We will revise our disclosures in future filings to further describe the pertinent aspects of our intercompany loans. We will describe the Holding Company structure that we use to conduct business combinations, and the related funding of the Holding Company to effect the business combination. In particular, we will disclose that the intercompany loans are funded by Compass Group Diversified Holdings LLC to the Holding Company as part of the the Holding Company's initial capitalization and that the Holding Company uses the intercompany loans to, in turn, fund a portion of the purchase price of the acquired business. We will also clarify that the selling security holders are not a party to the intercompany loan agreements nor have any obligation to repay the intercompany loans, but rather are a recipient of such proceeds in the purchase consideration.

Please contact me at (203) 221-1703 and [ryan@compassdiversified.com](mailto:ryan@compassdiversified.com) with any questions or further comments regarding our responses to the Staff's comments.

Sincerely,

/s/ Ryan J. Faulkingham  
Ryan J. Faulkingham  
Chief Financial Officer

cc: Ms. Kerri Tiernan, Compass Group Diversified Holdings LLC  
Mr. Evan A. Toebbe, Squire Patton Boggs (US) LLP