

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 2, 2019

**COMPASS DIVERSIFIED HOLDINGS
(Exact name of registrant as specified in its charter)**

Delaware
(State or other jurisdiction
of incorporation)

001-34927
(Commission
File Number)

57-6218917
(I.R.S. Employer
Identification No.)

**COMPASS GROUP DIVERSIFIED HOLDINGS LLC
(Exact name of registrant as specified in its charter)**

Delaware
(State or other jurisdiction
of incorporation)

001-34926
(Commission
File Number)

20-3812051
(I.R.S. Employer
Identification No.)

301 Riverside Avenue, Second Floor, Westport, CT 06880

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (203) 221-1703

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Shares representing beneficial interests in Compass Diversified Holdings	CODI	New York Stock Exchange
Series A Preferred Shares representing Series A Trust Preferred Interest in Compass Diversified Holdings	CODI PR A	New York Stock Exchange
Series B Preferred Shares representing Series B Trust Preferred Interest in Compass Diversified Holdings	CODI PR B	New York Stock Exchange
Series C Preferred Shares representing Series C Trust Preferred Interest in Compass Diversified Holdings	CODI PR C	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 8 Other Events

Item 8.01 Other Events

On December 2, 2019, Compass Diversified Holdings (the "Trust") and Compass Group Diversified Holdings LLC (the "Company" and, together with the Trust, "CODI") closed the sale of 600,000 of the Trust's 7.875% Series C Cumulative Preferred Shares (the "Series C Preferred Shares"), which were registered pursuant to a registration statement on Form S-3 (SEC File No. 333- 234665) which was automatically effective on November 13, 2019 (the "Registration Statement"). Each Series C Preferred Share corresponds to one underlying 7.875% Series C Cumulative Trust Preferred Interest (the "Series C Trust Preferred Interest") of the Company that was issued simultaneously to the Trust. The terms of the Series C Trust Preferred Interests are designed to mirror those of the Series C Preferred Shares.

The Series C Preferred Shares were sold pursuant to a full exercise of an option to purchase additional Series C Preferred Shares by the underwriters pursuant to the Underwriting Agreement, dated November 13, 2019, by and among the Company, the Trust and Compass Group Management LLC and Morgan Stanley & Co. LLC, RBC Capital Markets, LLC and UBS Securities LLC, as managers of the several underwriters listed therein (collectively, the "Underwriters").

Validity opinions with respect to the Series C Preferred Shares and their underlying Series C Trust Preferred Interests of the Company are being filed with this Current Report on Form 8-K and shall be incorporated by reference into the Registration Statement.

On December 2, 2019, CODI issued a press release announcing that the Underwriters fully exercised their option to purchase the additional Series C Preferred Shares. A copy of the press release announcing such exercise is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K.

Section 9 Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
4.1	Form of 7.875% Series C Cumulative Preferred Share Certificate
5.1	Legality Opinion of Richards, Layton & Finger, P.A. as to the Trust
5.2	Legality Opinion of Richards, Layton & Finger P.A. as to the Company
23.1	Consent of Richards, Layton & Finger, P.A. (contained in Exhibits 5.1 and 5.2 hereto)
99.1	Press Release of CODI dated December 2, 2019
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 2, 2019

COMPASS DIVERSIFIED HOLDINGS

By: /s/ Ryan J. Faulkingham

Ryan J. Faulkingham
Regular Trustee

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 2, 2019

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ Ryan J. Faulkingham

Ryan J. Faulkingham
Chief Financial Officer

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO COMPASS DIVERSIFIED HOLDINGS OR THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE SECOND AMENDED AND RESTATED TRUST AGREEMENT OF COMPASS DIVERSIFIED HOLDINGS, DATED AS OF DECEMBER 6, 2016, AS AMENDED FROM TIME TO TIME, AND THE SHARE DESIGNATION WITH RESPECT TO THE SHARES REPRESENTED BY THIS GLOBAL SECURITY. IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

COMPASS DIVERSIFIED HOLDINGS

7.875% Series C Cumulative Preferred Shares
(Liquidation Preference as specified below)

COMPASS DIVERSIFIED HOLDINGS, a Delaware statutory trust (the “**Trust**”), hereby certifies that CEDE & CO. (the “**Holder**”), is the registered owner of the number shown on Schedule I hereto of the Trust’s designated 7.875% Series C Cumulative Preferred Shares, with a Series C Liquidation Preference of \$25.00 per share (the “**Series C Preferred Shares**”). The Series C Preferred Shares are fully paid and the Holder of such Series C Preferred Shares will have no obligation to make payments or contributions to the Trust solely by reason of its ownership of such Series C Preferred Shares. The Series C Preferred Shares are transferable on the books and records of the Transfer Agent, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The rights, privileges, restrictions, preferences and other terms and provisions of the Series C Preferred Shares represented hereby are and shall in all respects be subject to the provisions of the Share Designation of the Trust with respect to the Series C Preferred Shares, as the same may be further amended from time to time (the “**Share Designation**”). Capitalized terms used herein but not defined shall have the meaning given them in the Second Amended and Restated Trust Agreement of the Trust (the “**Trust Agreement**”), as amended by the Share Designation. The Trust will provide a copy of the Share Designation to a Series C Holder without charge upon written request to the Trust at its principal place of business. In the case of any conflict between this certificate and the Share Designation, the provisions of the Share Designation shall control and govern.

Reference is hereby made to the provisions of the Series C Preferred Shares set forth on the reverse hereof and in the Share Designation and the Trust Agreement, which provisions shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this executed certificate or a beneficial interest therein, the Series C Holder or any holder of a beneficial interest therein is bound by the Share Designation and the Trust Agreement and is entitled to the benefits thereunder.

Unless the Transfer Agent has properly countersigned this certificate, the Holder of this certificate and the Series C Preferred Shares represented hereby shall not be entitled to any benefits under the Share Designation or the Trust Agreement, and this certificate shall not be valid or obligatory for any purpose.

[Signature Pages Follow]

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Trust by a Regular Trustee of the Trust this 2nd day of December, 2019.

COMPASS DIVERSIFIED HOLDINGS

By: /s/ Ryan J. Faulkingham

Name: Ryan J. Faulkingham

Title *Regular Trustee*

[Signature Page to 7.875% Series C Cumulative Preferred Share Certificate (Overallotment)]

COUNTERSIGNATURE

These are Series C Preferred Shares referred to in the within-mentioned Share Designation.

Dated: December 2, 2019

Broadridge Corporate Issuer Solutions, Inc.,
as Transfer Agent

By: /s/ Michael Golightly

Name: Michael Golightly

Title Operations Supervisor

[Signature Page to 7.875% Series C Cumulative Preferred Share Certificate (Overallotment)]

REVERSE OF CERTIFICATE FOR SERIES C PREFERRED SHARES

Cumulative distributions on each Series C Preferred Share shall be payable at the applicable rate provided in the Share Designation.

The Trust shall furnish without charge to each Series C Holder who so requests a summary of the authority of the Sponsor to determine variations for future series within a class of Shares and the Share Designations, limitations, preferences and relative, participating, optional or other special rights of each class or series of capital issued by the Trust and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the Series C Preferred Shares evidenced hereby to:

(Insert assignee's social security or taxpayer identification number, if any)

(Insert address and zip code of assignee)

And irrevocably appoints:

as agent to transfer the Series C Preferred Shares evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature: _____

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: _____

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

COMPASS DIVERSIFIED HOLDINGS

Global Series C Preferred Share
7.875% Series C Cumulative Preferred Share

Certificate Number:

The number of Series C Preferred Shares initially represented by this global Series C Preferred Share Certificate shall be 600,000. Thereafter the Transfer Agent shall note changes in the number of Series C Preferred Shares evidenced by this global Series C Preferred Share Certificate in the table set forth below:

Date of Exchange	Amount of Decrease in Number of Shares Represented by this Global Series C Preferred Share Certificate	Amount of Increase in Number of Shares Represented by this Global Series C Preferred Share Certificate	Number of Shares Represented by this Global Series C Preferred Share Certificate following Decrease or Increase	Signature of Authorized Officer of Transfer Agent

[Letterhead of Richards, Layton & Finger, P.A.]

December 2, 2019

Compass Diversified Holdings
301 Riverside Avenue
Second Floor
Westport, CT 06880

Re: Compass Diversified Holdings

Ladies and Gentlemen:

We have acted as special Delaware counsel to Compass Diversified Holdings, a Delaware statutory trust (the “Trust”), in connection with the matters set forth herein. At your request, this opinion is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies of the following:

- (a) The Certificate of Trust of the Trust as filed with the office of the Secretary of State of the State of Delaware (the “Secretary of State”) on November 18, 2005, as amended by the Certificate of Amendment to Certificate of Trust as filed with the Secretary of State on September 13, 2007 with an effective date of September 14, 2007 (collectively, the “Certificate of Trust”);
- (b) The Trust Agreement, dated as of November 18, 2005 among Compass Diversified Holdings LLC (the “Company”) and the trustees named therein, as amended and restated by the Amended and Restated Trust Agreement for the Trust, dated as of April 25, 2006, as amended by the First Amendment, dated as of May 25, 2007, as further amended by the Second Amendment, dated as of September 14, 2007 as further amended by the Third Amendment, dated as of December 21, 2007 and effective as of January 1, 2007, as further amended by the Fourth Amendment, dated as of November 1, 2010 and as amended and restated by the Second Amended and Restated Trust Agreement, dated as of December 6, 2016 (as amended and restated, the “Trust Agreement”) (including the form of share certificate attached thereto as Exhibit A);
- (c) The Registration Statement on Form S-3, filed with the Securities and Exchange Commission (the “SEC”) on November 13, 2019 (the “Registration Statement”), including a related prospectus, as supplemented by the prospectus supplement filed

with the SEC on November 14, 2019 (jointly, the “Prospectus”) relating to 4,000,000 preferred shares of the Trust representing beneficial interests in the assets of the Trust (each, a “Share” and collectively, the “Shares”), and the additional 600,000 preferred shares of the Trust representing beneficial interests in the assets of the Trust being offered upon the exercise of an over-allotment option pursuant to the Underwriting Agreement (as defined below) (each, an “Over-Allotment Share” and collectively, the “Over-Allotment Shares”);

- (d) A certificate of an officer of the Company in its capacity as Sponsor, including certain resolutions attached thereto, authorizing the issuance of the Over-Allotment Shares by the Trust;
- (e) The Share Designation (Series C Preferred Shares), executed by the Trust (the “Share Designation”); and
- (f) A Certificate of Good Standing for the Trust, dated November 27, 2019, obtained from the Secretary of State.

For purposes of this opinion, we have not reviewed any documents other than the documents listed in paragraphs (a) through (f) above. We have conducted no independent factual investigation of our own, but rather have relied solely upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, all of which we have assumed to be true, complete and accurate in all material respects.

Capitalized terms used herein and not otherwise defined are used as defined in the Trust Agreement.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion, we have assumed (i) that the Trust Agreement, the Share Designation and the Certificate of Trust will be in full force and effect and will not be amended as of the date the Shares or the Over-Allotment Shares are issued, (ii) the due organization or due formation, as the case may be, and valid existence in good standing of each party to the documents (other than the Trust or, to the extent covered in the opinion of Richards, Layton & Finger, P.A. of even date herewith, the Company) examined by us under the laws of the jurisdiction governing its organization or formation, (iii) the legal capacity of natural persons who are signatories to the documents examined by us, (iv) that each of the parties to the documents (other than the Trust or, to the extent covered in the opinion of Richards, Layton & Finger, P.A. of even date herewith, the Company) examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents, (v) the due authorization, execution and delivery by all parties thereto of all documents (other than the Trust or, to the extent covered in the opinion of Richards, Layton & Finger, P.A. of even date herewith, the Company) examined by us, (vi) the receipt by each Person to whom a Share or an Over-Allotment Share is to be issued by the Trust (collectively, the “Shareholders”) of either (A) a Share Certificate for such Share or Over-Allotment Share or (B) confirmation of the Trust’s registration in the Share Register of such Person as the registered owner of such Share or Over-Allotment Share, and the payment for such Share or Over-Allotment Share, in accordance with the Trust Agreement and the Registration Statement as of the date the Shares or the Over-Allotment Shares are issued, (vii) that

the Shares and the Over-Allotment Shares will be issued and sold to the Shareholders in accordance with the Trust Agreement, the Share Designation, the Underwriting Agreement and the Registration Statement, (viii) that after the issuance and sale of the Shares and the Over-Allotment Shares under the Registration Statement, the Underwriting Agreement, the Share Designation and the Trust Agreement, the aggregate number of the Shares and the Over-Allotment Shares issued by the Trust will not exceed 50,000,000, and (ix) that any amendment or restatement of any document reviewed by us has been accomplished in accordance with, and was permitted by, the relevant provisions of any such document prior to such amendment or restatement. We have not participated in the preparation of the Registration Statement, except for this opinion, or the Prospectus and assume no responsibility for their contents, other than this opinion.

This opinion is limited to the laws of the State of Delaware that are currently in effect (excluding the blue sky laws of the State of Delaware), and we have not considered and express no opinion on the laws of any other jurisdiction, including federal laws and rules and regulations relating thereto.

Based upon the foregoing and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Trust has been duly formed and is validly existing in good standing as a statutory trust under the Delaware Statutory Trust Act, 12 Del.C. § 3801, et seq.
2. The Over-Allotment Shares of the Trust will be validly issued, fully paid and nonassessable beneficial interests in the assets of the Trust.
3. The Shareholders, as beneficial owners of the Trust, will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.

We consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to the Registration Statement. We hereby consent to the use of our name under the headings “Legal Matters” and “Validity of Securities” in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Richards, Layton & Finger, P.A.

[Letterhead of Richards, Layton & Finger, P.A.]

December 2, 2019

Compass Group Diversified Holdings LLC
301 Riverside Avenue
Second Floor
Westport, CT 06880

Re: Compass Group Diversified Holdings LLC

Ladies and Gentlemen:

We have acted as special Delaware counsel for Compass Group Diversified Holdings LLC, a Delaware limited liability company (the "LLC"), in connection with the matters set forth herein. At your request, this opinion is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies of the following:

- (a) The Certificate of Formation of the LLC, dated November 18, 2005, as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on November 18, 2005, as amended by the Certificate of Amendment thereto, dated April 27, 2006, as filed in the office of the Secretary of State on May 2, 2006 (as so amended, the "LLC Certificate");
- (b) The Operating Agreement of the LLC, dated as of November 18, 2005, entered into by Compass Group Management LLC, as the sole member of the LLC (the "Initial Member");
- (c) The Amended and Restated Operating Agreement of the LLC, dated as of April 25, 2006, entered into between Compass Diversified Holdings (formerly known as Compass Diversified Trust), a Delaware statutory trust (the "Trust"), and the Initial Member, as the members of the LLC;
- (d) The Second Amended and Restated Operating Agreement of the LLC, effective as of January 4, 2007, entered into between the Trust and the Initial Member, as the members of the LLC (jointly, the "Original Members");
- (e) The Third Amended and Restated Operating Agreement of the LLC, dated as of November 1, 2010, entered into between the Original Members, as amended by the Amendment thereto, dated as of January 1, 2012;
- (f) The Fourth Amended and Restated Operating Agreement of the LLC, dated as of

January 1, 2012, entered into between the Original Members;

(g) The Fifth Amended and Restated Operating Agreement of the LLC, dated as of December 6, 2016 ("LLC Agreement"), entered into between the Trust and Sostratus LLC, as the members of the LLC;

(h) The Registration Statement on Form S-3, filed with the Securities and Exchange Commission (the "SEC") on November 13, 2019 (the "Registration Statement"), including a related prospectus, as supplemented by the prospectus supplement filed with the SEC on November 14, 2019 (jointly, the "Prospectus"), relating to 4,000,000 preferred shares representing beneficial interests of the Trust, and the additional 600,000 preferred shares representing beneficial interests of the Trust being offered upon the exercise of an over-allotment option pursuant to the Underwriting Agreement (as defined below) ("Over-Allotment Trust Shares") to be issued pursuant thereto and the Underwriting Agreement (as defined below), and the preferred limited liability company interests in the LLC to be issued to the Trust (the "Trust Interests") in connection with the Over-Allotment Trust Shares;

(i) The Underwriting Agreement, dated November 13, 2019 (the "Underwriting Agreement"), executed by the LLC, the Trust and Compass Group Management LLC, and accepted by Morgan Stanley & Co. LLC, RBC Capital Markets, LLC and UBS Securities LLC, acting severally on behalf of themselves and the several underwriters named in Schedule II thereto;

(j) The Trust Interest Designation (Series C Trust Preferred Interests), executed by the LLC (the "Trust Interest Designation"); and

(k) A certificate of an officer of the LLC, dated as of December 2, 2019, as to certain matters; and

(l) A Certificate of Good Standing for the LLC, dated November 27, 2019, obtained from the Secretary of State.

Capitalized terms used herein and not otherwise defined are used as defined in the LLC Agreement.

For purposes of this opinion, we have not reviewed any documents other than the documents listed in paragraphs (a) through (l) above. We have conducted no independent factual investigation of our own, but rather have relied solely upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, all of which we have assumed to be true, complete and accurate in all material respects.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion, we have assumed (i) that the LLC Agreement, the Trust Interest Designation and the LLC Certificate (A) are in full force and effect on the date hereof and have not been amended, and (B) will be in full force and effect and will not have been amended as of the date on which the Trust Interests are issued, (ii) that each of the parties (other than the LLC or, to the extent covered in the opinion of Richards, Layton & Finger, P.A. of even date herewith, the Trust) to the documents examined by us has been duly created, organized or formed, as the case may be, and is validly existing in good standing under the laws of the jurisdiction governing its creation, organization or formation, (iii) the legal capacity of natural persons who are signatories to the documents examined by us, (iv) that each of the parties (other than

the LLC or, to the extent covered in the opinion of Richards, Layton & Finger, P.A. of even date herewith, the Trust) to the documents examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents, (v) the due authorization, execution and delivery by the parties thereto of the documents examined by us as of the date hereof and as of the date on which the Trust Interests are issued by the LLC, (vi) that each Person to whom a Trust Interest is to be issued by the LLC (each, a "Trust Interest Holder" and collectively, the "Trust Interest Holders") will pay for the Trust Interest acquired by it, in accordance with the LLC Agreement and the Registration Statement, (vii) that the books and records of the LLC set forth or will set forth the name, address, dollar value of contributions to the LLC and number of Trust Interests owned by, each Trust Interest Holder, and (viii) that the Trust Interests will be issued and sold to the Trust Interest Holders in accordance with the Registration Statement, the Underwriting Agreement, the Trust Interest Designation and the LLC Agreement. We have not participated in the preparation of the Registration Statement or the Prospectus and assume no responsibility for their contents, other than this opinion.

This opinion is limited to the laws of the State of Delaware that are currently in effect (excluding the blue sky laws of the State of Delaware), and we have not considered and express no opinion on the laws of any other jurisdiction, including federal laws and rules and regulations relating thereto.

Based upon the foregoing, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The LLC has been duly formed and is validly existing in good standing as a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. § 18-101, et seq.) (the "LLC Act").
2. The Trust Interests will be validly issued and, subject to the qualifications set forth in paragraph 3 below, fully paid and nonassessable limited liability company interests in the LLC.
3. A Trust Interest Holder shall not be obligated personally for any of the debts, obligations or liabilities of the LLC, whether arising in contract, tort or otherwise, solely by reason of being a member of the LLC, except as a Trust Interest Holder may be obligated to repay any funds wrongfully distributed to it.

We consent to the filing of this opinion with the SEC as an exhibit to the Registration Statement. In addition, we hereby consent to the use of our name under the headings "Legal Matters" and "Validity of Securities" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of persons or entities whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Richards, Layton & Finger, P.A.



Compass Diversified Holdings
Ryan J. Faulkingham
Chief Financial Officer
203.221.1703
ryan@compassequity.com

Investor Relations and Media Contact:
The IGB Group
Leon Berman
212.477.8438
lberman@igbir.com

Compass Diversified Holdings Announces Underwriters' Full Exercise of Over-Allotment Option on Series C Cumulative Preferred Shares

Westport, Conn., December 2, 2019 - Compass Diversified Holdings (NYSE: CODI) ("CODI" or the "Company"), an owner of leading middle market businesses, announced today that the underwriters of its 7.875% Series C Cumulative Preferred Shares, with a liquidation preference of \$25.00 per share, have exercised in full their option to purchase an additional 600,000 Series C Cumulative Preferred Shares, which is expected to result in approximately \$14.5 million of additional proceeds to the Company upon closing on December 2, 2019, after deducting the underwriting discount and estimated offering expenses payable by the Company. This will bring the total net proceeds from the offering to approximately \$110.9 million after deducting the underwriting discount and estimated offering expenses payable by the Company.

CODI used the net proceeds from the original offering of 4,000,000 Series C Cumulative Preferred Shares, together with its own cash, to repay in full the outstanding balance of its term loan under its credit facility, and intends to use the additional proceeds from the over-allotment option for general corporate purposes.

Morgan Stanley, RBC Capital Markets and UBS Investment Bank are acting as joint book-running managers on the offering. J.P. Morgan, Janney Montgomery Scott and William Blair are acting as co-managers for the offering. A copy of the final prospectus relating to the offering may be obtained from the following addresses:

Morgan Stanley & Co. LLC

180 Varick Street
New York, New York 10014
Attn: Prospectus Department
Email: prospectus@morganstanley.com
Telephone: (800) 584-6837

RBC Capital Markets, LLC

200 Vesey Street
New York, New York 10281
Attn: Transaction Management
Telephone: (866) 375-6829

UBS Securities LLC

1285 Avenue of the Americas
New York, New York 10019
Attn: Prospectus Department
Telephone: (888) 827-7275

The offering was made pursuant to an effective shelf registration statement and prospectus filed by CODI with the Securities and Exchange Commission ("SEC"). You may obtain copies of the registration statement and the final prospectus for free by visiting EDGAR on the SEC web site at www.sec.gov.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The offering may be made only by means of a prospectus and related prospectus supplement meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

About Compass Diversified Holdings ("CODI")

CODI owns and manages a diverse family of established North American middle market businesses. Each of its current subsidiaries is a leader in its niche market.

CODI maintains controlling ownership interests in each of its subsidiaries in order to maximize its ability to impact long term cash flow generation and value. The Company provides both debt and equity capital for its subsidiaries, contributing to their financial and operating flexibility. CODI utilizes the cash flows generated by its subsidiaries to invest in the long-term growth of the Company and to make cash distributions to its shareholders.

Our eight majority-owned subsidiaries are engaged in the following lines of business:

- The design and marketing of purpose-built tactical apparel and gear serving a wide range of global customers (**5.11**);
- The manufacture of quick-turn, small-run and production rigid printed circuit boards (**Advanced Circuits**);
- The manufacture of engineered magnetic solutions for a wide range of specialty applications and end-markets (**Arnold Magnetic Technologies**);
- The design and marketing of wearable baby carriers, strollers and related products (**Ergobaby**);
- The design and manufacture of custom molded protective foam solutions and OE components (**Foam Fabricators**);
- The design and manufacture of premium home and gun safes (**Liberty Safe**);

- The manufacture and marketing of portable food warming fuels for the hospitality and consumer markets, flameless candles and house and garden lighting for the home decor market, and wickless candle products used for home decor and fragrance systems (**The Sterno Group**); and
- The design, manufacture and marketing of airguns, archery products, optics and related accessories (**Velocity Outdoor**).

This press release may contain certain forward-looking statements, including statements with regard to the future performance of CODI. Words such as "believes," "expects," "projects," and "future" or similar expressions, are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements, and some of these factors are enumerated in the risk factor discussion in the Form 10-K filed by CODI with the SEC for the year ended December 31, 2018, as retrospectively revised and recast through the Current Report on Form 8-K filed on November 13, 2019, and other filings with the SEC. Except as required by law, CODI undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.