
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): May 23, 2007

COMPASS DIVERSIFIED TRUST

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-51937
(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)

0-51938
(Commission File Number)

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

Sixty One Wilton Road
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))
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Section 1 Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

Effective May 23, 2007, Compass Group Diversified Holdings LLC (the "Company"), a subsidiary of Compass Diversified Trust (the "Trust" and, together with the Company, collectively "CODI," "us" or "we"), entered into an amendment (the "Amendment") to its credit facility dated as of November 21, 2006 (the "Credit Agreement") that was previously entered into with a group of lenders (collectively, the "Lenders") led by Madison Capital Funding LLC ("Madison") as Agent for all Lenders. The Credit Agreement was amended (i) to increase the Company's borrowing capacity under the Credit Agreement to \$300 million, and (ii) to permit certain acquisitions of \$5 million or less to meet the definition of, a "permitted eligible acquisition" under the Credit Agreement, exempt of certain of the requirements. All other material terms and conditions of the Credit Agreement were unchanged.

The foregoing brief description of the Amendment is not meant to be exhaustive and is qualified in its entirety by the Amendment itself, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Section 3 Securities and Trading Markets

Item 3.03 Material Modification to Rights of Security Holders

On May 25, 2007 the Trust held its annual meeting of shareholders (the "Annual Meeting"). At the Annual Meeting, the Trust's shareholders (the "Shareholders") approved an amendment (the "Amendment") to the Amended and Restated Trust Agreement, dated as of April 25, 2006 (the "Trust Agreement"), of Compass Diversified Trust among the Company, as Sponsor, The Bank of New York (Delaware), as Delaware Trustee, and the Regular Trustees named therein. The Amendment provides that, in the event it is determined by the Sponsor, acting through the Board of Directors, that the Trust is, or is reasonably likely to be, required to issue Schedules K-1 to Shareholders, or if the Board of Directors determines that it is otherwise reasonable and prudent to do so, the Sponsor may, in lieu of the procedures set forth in the Trust Agreement and without Shareholder consent, amend or amend and restate the Trust Agreement as necessary so that with respect to any or all periods the Trust will be treated as a partnership for federal income tax purposes and to provide for those provisions that are customary, necessary or useful for an entity treated as a partnership for federal income tax purposes.

The foregoing brief description of the Amendment is not meant to be exhaustive and is qualified in its entirety by the Amendment itself, which is attached hereto as Exhibit 4.1 and is incorporated herein by reference.

Section 9 Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

4.1 Amendment No. 1 to the Amended and Restated Trust Agreement, dated as of April 25, 2006, of Compass Diversified Trust among the Company, as Sponsor, The Bank of New York (Delaware), as Delaware Trustee, and the Regular Trustees named therein.

10.1 Amendment to the Credit Agreement among Compass Group Diversified Holdings LLC, the financial institutions party thereto and Madison Capital Funding LLC, dated as of November 21, 2006.

99.1 Press Release dated May 29, 2007.

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: May 29, 2007

COMPASS DIVERSIFIED TRUST

By: /s/ James Bottiglieri

James J. Bottiglieri
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: May 29, 2007

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ James Bottiglieri

James J. Bottiglieri
Chief Financial Officer

FIRST AMENDMENT

THIS FIRST AMENDMENT (“*First Amendment*”) dated May ____, 2007, to Amended and Restated Trust Agreement (“*Agreement*”) of Compass Diversified Trust, a Delaware statutory trust (the “*Trust*”), is made effective as of April 25, 2006, the effective date of the Agreement, by and among COMPASS GROUP DIVERSIFIED HOLDINGS LLC, a Delaware limited liability company (the “*Sponsor*”), THE BANK OF NEW YORK (DELAWARE), a Delaware banking corporation, as Delaware trustee (in such capacity, the “*Delaware Trustee*”), and MR. ALAN B. OFFENBERG and MR. JAMES J. BOTTIGLIERI, as the regular trustees (each a “*Regular Trustee*”, together “*Regular Trustees*” and, collectively with the Delaware Trustee, the “*Trustees*”).

The Sponsor and the Trustees hereby agree as follows:

1. A new Section 9.6 is added to the Agreement to read as follows:

Section 9.6 Treatment of Trust as Tax Partnership

Notwithstanding anything to the contrary elsewhere in this Agreement, in the event that the Sponsor, acting through the Board of Directors, determines that the Trust is, or is reasonably likely to be, required to issue Schedules K-1 to Shareholders, or if the Board of Directors determines that it is otherwise reasonable and prudent to do so, the Sponsor may, in lieu of the procedure provided in Section 9.2 and without the consent or approval of any other Person pursuant to Section 10.2, amend or amend and restate this Agreement as necessary so that with respect to any or all periods the Trust will be treated as a partnership for federal income tax purposes and to provide for those provisions that are customary, necessary or useful for an entity treated as a partnership for federal income tax purposes.

2. The Sponsor and the Trustees otherwise ratify and confirm the Agreement.

**INCREASE NOTICE, CONSENT AND
SECOND AMENDMENT TO CREDIT AGREEMENT**

This Increase Notice, Consent and Second Amendment to Credit Agreement (this "Amendment") is entered into as of May __, 2007, among Madison Capital Funding LLC, as Agent for the Lenders, the undersigned Lenders, and Compass Group Diversified Holdings LLC, a Delaware limited liability company ("Borrower").

WITNESSETH

WHEREAS, Borrower, Agent and Lenders are parties to that certain Credit Agreement dated as of November 21, 2006 (as amended to date, the "Credit Agreement"); capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement);

WHEREAS, Borrower has requested that Agent and Lenders agree to an increase in the Revolving Loan Commitment in the amount of \$45,000,000 (the "Revolver Increase") pursuant to Section 2.1.2 of the Credit Agreement and, further, that Lenders waive their right to participate, to the extent of their respective Pro Rata Shares, in such Revolver Increase except to the extent of the participations in the Revolver Increase that are detailed herein;

WHEREAS, Borrower has requested that Agent and Lenders consent to CBS purchasing from the chief executive officer of CBS 50,000 shares of CBS' stock for a total price of \$875,500 (the "Redemption"), notwithstanding that such stock redemption would otherwise be prohibited under Section 7.4(b) of the Credit Agreement;

WHEREAS, Borrower has requested that Agent and Lenders agree to amend the definition of "Permitted Eligible Acquisitions" under the Credit Agreement to revise the terms under which a Portfolio Company may make certain Permitted Eligible Acquisitions that are add-on acquisitions; and

WHEREAS, Borrower, Agent and Lenders have further agreed to amend the Credit Agreement in certain other respects, subject to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

1. Revolver Increase. Pursuant to Section 2.1.2 of the Credit Agreement, Agent and Lenders hereby consent to the Revolver Increase and Lenders hereby waive their right to participate, to the extent of their respective Pro Rata Shares, in such Revolver Increase except to the extent of the participations in the Revolver Increase that are detailed herein. Borrower, Agent and Lenders hereby agree the Revolver Increase shall be effective immediately upon the effectiveness of this amendment pursuant to the provisions of Section 7 hereof (the "Effective Date"). After giving effect to the Revolver Increase on the Effective Date, the aggregate amount of the Revolving Loan Commitments is \$300,000,000 and all

references in the Credit Agreement and the other Loan Documents to the Revolving Loan Commitment shall be considered a reference to the Revolving Loan Commitment as increased hereby. Borrower acknowledges and agrees that such Revolver Increase shall become part of the Revolving Loan Commitments for all purposes under the Credit Agreement and under the Collateral Documents and shall be secured by the Collateral in all respects.

2. Additional Lenders; Allocation of Revolver Increase. In reliance on the representations and warranties of Additional Lenders (as defined below) set forth in Section 6 below, Borrower, Agent, and Lenders hereby acknowledge and agree that by executing this Amendment each of First Horizon Bank, a Division of First Tennessee Bank National Association (“First Horizon”), Allied Irish Banks, p.l.c. (“AIB”) and NewStar Arcturus CLO I Ltd. (“Arcturus”); together with First Horizon and AIB, each an “Additional Lender” and collectively the “Additional Lenders”) hereby become “Lenders” under the Credit Agreement and assume all the rights and obligations of a Lender under the Credit Agreement and the other Loan Documents as of the Effective Date. Such Additional Lenders share of the Revolving Loan Commitments and their Pro Rata Share shall be the applicable amount specified opposite such Lender’s name on Annex I hereto. In addition, the parties hereto hereby agree that the share of the Revolving Loan Commitment of US Bank National Association shall be increased by \$7,000,000, and that its new share of the Revolver Commitment and Pro Rata Share are set forth opposite its name on Annex I hereto. Annex I sets forth the aggregate Revolver Commitment and Pro Rata Share for each Lender after giving effect to the Revolver Increase.

3. Consent to Redemption. In reliance upon the representations and warranties of Borrower set forth in Section 5 below and subject to the satisfaction of the conditions set forth in Section 7 below, Agent and the Lenders party hereto hereby consent to the consummation of the Redemption by CBS. This consent is a limited consent and shall not be deemed to constitute a consent with respect to any other current or future departure from the requirements of any provision of the Credit Agreement or any other Loan Documents.

4. Amendments to Credit Agreement. In reliance upon the representations and warranties of Borrower set forth in Section 5 below and subject to the satisfaction of the conditions set forth in Section 7 below, the parties hereto hereby agree to amend the Credit Agreement as follows:

(a) The definition of “Permitted Eligible Acquisition” contained in Section 1.1 to the Credit Agreement is hereby amended and restated in its entirety as follows:

“Permitted Eligible Acquisition means any Acquisition by (i) an Acquisition Subsidiary of Borrower of all or substantially all of the assets of a Person as a New Portfolio Company of Borrower, or of all or substantially all of any business or division of a Person as a New Portfolio Company of Borrower, (ii) Borrower of no less than a voting majority of the capital stock, partnership interests, membership interests or equity of any Person as a New

Portfolio Company of Borrower, (iii) a Portfolio Company (or an Acquisition Subsidiary of such Portfolio Company) of all or substantially all of the assets of a Person as an add-on acquisition for such Portfolio Company, or of all or substantially all of any business or division of a Person as an add-on acquisition for such Portfolio Company or (iv) a Portfolio Company of no less than 100% of the capital stock, partnership interests, membership interests or equity of any Person as an add-on acquisition for such Portfolio Company, in each case to the extent that each of the conditions precedent set forth in Annex III shall have been satisfied; provided, however, that if such Acquisition is otherwise a Permitted Eligible Acquisition under clauses (iii) or (iv) hereof and the aggregate consideration to be paid in such Acquisition is \$5,000,000 or less, then the conditions set forth in clauses (1), (4), (8) and (10) of Annex III shall not be required to be satisfied and the condition set forth in clause (12) of Annex III shall not be required to be satisfied until thirty (30) days after giving effect to such Acquisition; and provided, further, that in the case of any such Acquisition, (x) the Target shall be assigned the same multiple for purposes of Availability as the Portfolio Company consummating such Acquisition and (y) there shall be no Pro Forma EBITDA of the Target included in the Existing Portfolio Company EBITDA (or New Portfolio Company EBITDA, as applicable) of the Portfolio Company consummating such Acquisition, with Existing Portfolio Company EBITDA (or New Portfolio Company EBITDA, as applicable) for the Target being acquired to be limited to periods after the consummation of such Acquisition. It is agreed and understood that the SES Add-On Acquisition shall be a Permitted Eligible Acquisition within the foregoing clause (iii) so long as (x) the SES Add-On Acquisition is consummated on or within 10 Business Days of the Closing Date and (y) no Event of Default exists either before or after giving effect to the SES Add-On Acquisition.”

(b) Section 6.1.2 of the Credit Agreement is hereby amended by deleting the first clause and replacing it with the following:

“Promptly when available and in any event within 45 days after the end of each month (including months that correspond to the end of a Fiscal Quarter),”

(c) Section 6.1.6 of the Credit Agreement is hereby amended by replacing the phrase “dated as of the end of the most recently ended month” with the phrase “dated as of the end of the most recently ended month covered by such interim report”.

(d) Annex I to the Credit Agreement is deleted in its entirety and replaced with Annex I attached hereto.

(e) Annex II to the Credit Agreement is hereby amended by adding the notice and payment addresses listed on Annex II attached hereto to the end thereof.

(f) Annex III to the Credit Agreement is hereby amended by replacing the phrase “recomputed for the most recently ended month of Borrower” in clause (5) thereof with the phrase “recomputed for the most recent Computation Period of Borrower”.

5. Representations and Warranties of Borrower. Borrower hereby represents and warrants to Agent and Lenders that, both before and after giving effect to this Amendment:

(a) The execution, delivery and performance of this Amendment has been duly authorized by all requisite corporate action on the part of Borrower;

(b) No Default or Event of Default has occurred and is continuing; and

(c) The representations and warranties of Borrower set forth in the Credit Agreement, as amended hereby, and in the other Loan Documents, as amended hereby, are true and correct in all material respects as of the date hereof, with the same effect as though made on the date hereof (except to the extent such representations and warranties expressly refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date).

6. Representations and Warranties of Additional Lenders. Each Additional Lender hereby represents and warrants to Agent and Lenders that, both before and after giving effect to this Amendment, that such Additional Lender:

(a) is legally authorized to enter into this Amendment;

(b) has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment;

(c) agrees that it will, independently and without reliance upon Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement;

(d) appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to Agent by the terms thereof, together with such powers as are reasonably incidental thereto;

(e) agrees that it will perform in accordance with their terms all obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender;

(f) represents that on the date of this Amendment it is not presently aware of any facts that would cause it to make a claim under the Credit Agreement; and

(g) if organized under the laws of a jurisdiction outside the United States, has delivered to Agent the forms prescribed by the Internal Revenue Service of the United States, which have been duly executed, certifying as to such Additional Lender's exemption from United States withholding taxes with respect to all payments to be made to such Additional Lender under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such tax at a rate reduced by an applicable tax treaty.

7. Conditions Precedent to Effectiveness. The effectiveness of this Amendment is subject to the prior or concurrent consummation of each of the following conditions:

(a) Agent shall have received a fully executed copy of this Amendment, together with such other documents, agreements and instruments as Agent may reasonably require or request, including any documents, agreements or instruments that may be required to be delivered by either Additional Lender to Agent;

(b) all proceedings taken in connection with the transactions contemplated by this Amendment and all documents, instruments and other legal matters incident thereto shall be reasonably satisfactory to Agent and its legal counsel; and

(c) no Default or Event of Default shall have occurred and be continuing or shall be caused by the transactions contemplated by this Amendment.

8. Miscellaneous.

(a) Governing Law. THIS AMENDMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS.

(b) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment.

(c) Reference to Credit Agreement. Each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import, and each reference in the Credit Agreement or in any other Loan Document, or other agreements, documents or other instruments executed and delivered pursuant to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(d) Costs and Expenses. Borrower acknowledges that Section 10.4 of the Credit Agreement applies to this Amendment and the transactions, agreements and documents contemplated hereunder.

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**Compass Diversified Trust Announces Results From
Annual Meeting of Shareholders**

Revolving Credit Facility Increased to \$300 million

Westport, CT, May 29, 2007 – Compass Diversified Trust (NASDAQ: CODI) and Compass Group Diversified Holdings LLC (collectively, the “Trust” or “CODI” or the “Company”) announced today the results from the Company’s Annual Meeting of Shareholders held on Friday, May 25, 2007, in Norwalk, CT. At the meeting, the Shareholders of the Company approved all resolutions put before them, including the election of two Class I directors, the adoption of an amendment to the Company’s Trust Agreement and the appointment of the Company’s independent auditor.

Harold S. Edwards and Mark H. Lazarus were elected Class I directors to serve on the Company’s Board of Directors until the 2010 Annual Meeting. Harold S. Edwards has been the president and chief executive officer of Limoneira Company, an agricultural, real estate and community development company, since November 2004 and has served as a director of the Company since April 2006. Mark H. Lazarus has been the president of Turner Entertainment Group since 2003 and has served as a director of the Company since April 2006.

The Shareholders also approved an amendment to the Company’s Trust Agreement. Such amendment provides that the Trust Agreement may be amended without shareholder approval so that the Trust will be treated as a partnership for federal income tax purposes and authorizes the addition to the Trust Agreement of any provisions that are customary, necessary or useful for an entity treated as a partnership for federal income tax purposes.

Finally, at the meeting the Shareholders ratified the appointment of Grant Thornton LLP as independent auditor for the Company for the fiscal year ending December 31, 2007.

On May 23, 2007 the Company amended its credit facility with a group of lenders led by Madison Capital Funding LLC to increase the revolving loan commitment by \$45 million. The expanded credit facility now provides for \$300 million in revolving loans, subject to borrowing base restrictions.

Investor Relations, Public Relations & Marketing Communications

About Compass Diversified Trust

CODI was formed to acquire and manage a group of profitable middle market businesses that are headquartered in North America. CODI provides public investors with an opportunity to participate in the ownership and growth of companies which have historically been owned by private equity firms or wealthy individuals or families. CODI's disciplined approach to its target market provides opportunities to methodically purchase attractive businesses at values that are accretive to its shareholders. For sellers of businesses, CODI's unique structure allows CODI to acquire businesses efficiently with no financing contingencies and, following acquisition, to provide its companies with substantial access to growth capital.

Upon acquisition, CODI works with the executive teams of its subsidiary companies to identify and capitalize on opportunities to grow those companies' earnings and cash flows. These cash flows support distributions to CODI shareholders, which are intended to be steady and growing over the long term.

Subsidiary Businesses

Aeroglide Holdings, Inc. and its consolidated subsidiaries, referred to as Aeroglide, is a designer and manufacturer of industrial drying and cooling equipment, primarily used in the production of a variety of human foods, animal and pet feeds, and industrial products. Aeroglide is based in Cary, NC and was founded in 1940.

Anodyne Medical Device, Inc. and its consolidated subsidiaries, referred to as AMD, is a manufacturer of medical support surfaces and patient positioning devices, primarily used for the prevention and treatment of pressure wounds experienced by patients with limited or no mobility. AMD is based in Los Angeles, CA and was founded in 2005.

CBS Personnel Holdings, Inc. and its consolidated subsidiaries, referred to as CBS Personnel, is a provider of temporary staffing services in the United States. CBS Personnel is headquartered in Cincinnati, OH, operates 144 branch locations in 18 states and was founded in 1970.

Compass AC Holdings, Inc. and its consolidated subsidiary, referred to as Advanced Circuits, is a manufacturer of low-volume quick-turn and prototype rigid printed circuit boards ("PCBs"). Advanced Circuits is based in Aurora, CO and was founded in 1989.

Halo Lee Wayne LLC and its consolidated subsidiaries, referred to as Halo, is a distributor of customized promotional products and serves more than 30,000 customers as a one-stop-shop resource for design, sourcing, management and fulfillment across all categories of its customers' promotional products needs. Halo is based in Sterling, IL and was founded in 1952.

Silvue Technologies Group, Inc. and its consolidated subsidiaries, referred to as Silvue, is a developer and manufacturer of proprietary, high-performance coating systems for polycarbonate, glass, acrylic, metals and other substrate materials used in the premium eyewear, aerospace, automotive and industrial markets. Silvue is based in Anaheim, CA and was founded in 1986.

To find out more about Compass Diversified Trust, please visit www.compassdiversifiedtrust.com.

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 10K filed by CODI with the Securities and Exchange Commission for the year ended December 31, 2006 and the Form 10Q filed by CODI for the quarter ended March 31, 2007 and other filings with the Securities and Exchange Commission. CODI undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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