

COMPASS DIVERSIFIED HOLDINGS

FORM 8-K (Current report filing)

Filed 01/16/18 for the Period Ending 01/11/18

Address	301 RIVERSIDE AVENUE WESTPORT, CT, 06880
Telephone	203-221-1703
CIK	0001345126
Symbol	CODI
SIC Code	2510 - Household Furniture
Industry	Investment Trusts
Sector	Financials
Fiscal Year	12/31

**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): January 11, 2018

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))

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 5 Corporate Governance and Management

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On January 11, 2018, Alan B. Offenberg notified Compass Group Diversified Holdings LLC (the “Company”) and Compass Diversified Holdings (NYSE: CODI) (together with the Company, “CODI”), as well as Compass Group Management LLC (“CGM”) of his intention to retire from his position as Chief Executive Officer and a director of the Company following his 20-year tenure with CODI and CGM, effective May 2, 2018. Mr. Offenberg’s decision to retire is solely for personal reasons and did not involve any disagreement between himself and the Company, the Company’s management, or the Board of Directors of Company (the “Board”).

Effective May 3, 2018, in order to fill the vacancies created by Mr. Offenberg’s retirement, CGM intends to appoint Elias J. Sabo as the Chief Executive Officer of the Company and Sostratus LLC, as the holder of 100% of the Company’s allocation interests, intends to appoint Mr. Sabo as the allocation member’s appointee to the Board. The Board has accepted both nominations. Mr. Sabo will serve as Chief Executive Officer and director of the Company until his earlier death, resignation, or removal. Mr. Sabo, 47, joined CGM in 1998 as one of the founding partners. For the past 20 years, he has been a member of the Investment Committee and, alongside Mr. Offenberg, has played a central role in directing CODI’s strategy. Mr. Sabo also currently serves as a director for a number of CODI’s current subsidiaries, including 5.11 Tactical, Advanced Circuits, Arnold Magnetic Technologies, and Fresh Hemp Foods, Ltd. (doing business as Manitoba Harvest). He previously served as the Chairman of Fox Factory Holding Corp. (NASDAQ: FOXF), a former CODI subsidiary. Prior to joining CGM, Mr. Sabo held positions with CIBC Oppenheimer and Colony Capital.

Mr. Sabo is, and has been, a partner of CGM, the Company’s manager, and is the holder of allocation interests in the Company through Sostratus LLC. With respect to the disclosure related to these relationships required by 404(a) of Regulation S-K of the Securities Exchange Act of 1934, as amended (“Regulation S-K”), the section of the Company’s 2017 Proxy Statement, entitled “Certain Relationships and Related Party Transactions” as it pertains to CGM and Sostratus is incorporated by reference herein. Mr. Sabo does not have any family relationships that require disclosure pursuant to Item 401(d) of Regulation S-K.

Section 8 Other Events

Item 8.01 Other Events

On January 16, 2018, the Company issued a press release announcing Mr. Offenberg’s retirement and the appointment of Mr. Sabo as his successor. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein in its entirety.

Section 9 Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

99.1 [Press Release dated January 16, 2018.](#)

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: January 16, 2018

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: January 16, 2018

COMPASS GROUP DIVERSIFIED
HOLDINGS LLC

By: /s/ Ryan J. Faulkingham

Ryan J. Faulkingham
Chief Financial Officer



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Compass Diversified Holdings Announces Retirement of Alan B. Offenberg and Names Elias J. Sabo as Chief Executive Officer

Alan B. Offenberg to Retire as of May 2, 2018 Following 20-Year Tenure

Westport, Conn., January 16, 2018 – Compass Group Diversified Holdings LLC (the “Company”) and Compass Diversified Holdings (NYSE: CODI) (together with the Company, “CODI”), an owner of leading middle market businesses, announced today that Elias J. Sabo, a founding partner of the Company’s Manager, Compass Group Management LLC (“CGM”), has been appointed as the Company’s Chief Executive Officer (“CEO”), effective May 3, 2018. Mr. Sabo will also be appointed to the Company’s Board of Directors at that time. He will succeed Alan B. Offenberg, who is retiring from his position as CEO and a director of the Company, following his 20-year tenure with CODI and CGM.

Mr. Sean Day, Chairman of the Company’s Board, commented, “Alan has provided strong leadership for CODI during a time when CODI generated growing cash flows, continued to acquire leading niche industrial and branded consumer businesses, increased total gains realized for shareholders and provided stable distributions. We are all very grateful to Alan for his contributions to CODI and on behalf of the Board, I want to thank him for his years of service and wish him all the best in his retirement.”

Mr. Day added, “As one of the founders and architects of our business model, Elias has been instrumental to CODI’s success in implementing its investment strategy, identifying and growing our leading subsidiaries, and building shareholder value. Our investment and monetization of one of our past subsidiaries, Fox Factory Holding Corp. (“FOX”), highlights this approach. Under Elias’ leadership, we acquired FOX, took it public and eventually realized gains from this investment of approximately \$525 million. I am confident Elias is the ideal person to lead CODI, as it builds on its past success and continues to execute on its proven strategy. He is an exceptional leader with an in-depth knowledge of our business, strong internal and external relationships and a clear vision for CODI’s future.”

Mr. Sabo, 47, joined CGM in 1998 as one of the founding partners. For the past 20 years, he has been a member of the Investment Committee and, alongside Mr. Offenberg, has played a central role

in directing CODI's strategy. Mr. Sabo also currently serves as a director for a number of CODI's current subsidiaries, including 5.11 Tactical, Advanced Circuits, Arnold Magnetic Technologies, and Fresh Hemp Foods, Ltd. (doing business as Manitoba Harvest). He previously served as the Chairman of Fox Factory Holding Corp. (NASDAQ: FOXF), a former CODI subsidiary. Prior to joining CGM, Mr. Sabo held positions with CIBC Oppenheimer and Colony Capital.

Mr. Sabo stated, "I am honored to become the Company's next CEO. It has been a pleasure to partner with Alan for the past 20 years and I look forward to working closely with him over the next few months to ensure a seamless transition. I am very excited about CODI's strong prospects and the many opportunities the Company has to build further value for our shareholders. Going forward, our strategic focus remains to add to our family of leading middle market businesses and to reinvest in our current subsidiaries in an effort to further drive future cash flow growth and provide strong and consistent cash distributions."

"It has been a privilege to serve as CEO during the past seven years and I have been fortunate to have had the opportunity to collaborate with a group of dedicated and talented professionals," said Mr. Offenberg. "I would like to thank everyone for their hard work in building CODI into the leader it is today. Having worked closely with Elias since our inception, he has been integral to our success and I know his knowledge, passion and commitment to further expanding CODI's leadership will serve the Company and its shareholders well. I wish Elias and the rest of the team all the success in the future."

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 nine 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**);
- Environmental services for a variety of contaminated materials including soils, dredged material, hazardous waste and drill cuttings (**Clean Earth**);

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- The design, manufacture and marketing of airguns, archery products, optics and related accessories (**Crosman**);
 - The design and marketing of wearable baby carriers, strollers and related products (**Ergobaby**);
 - The design and manufacture of premium home and gun safes (**Liberty Safe**);
 - The manufacture and marketing of branded, hemp-based food products (**Manitoba Harvest**); and
 - The manufacture and marketing of portable food warming fuels and creative ambience solutions for the hospitality and consumer markets (**Sterno Products**).

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, 2016 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.