

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES

In the matter of:)
)
) ORDER NO: 12-0815-S
)
Touchstone Funds Group Trust) ORDER IMPOSING A CIVIL PENALTY
) AND CONSENT TO ORDER
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Respondent.)
_____)

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities (the Administrator), has conducted an investigation into certain business activities of Touchstone Funds Group Trust (Touchstone or Respondent), and has determined that the Respondent violated certain provisions of the Alaska Securities Act, Alaska Statute (AS) 45.55, by offering and selling securities in Alaska without the securities first being registered or benefit of exemption from registration.

The Respondent agrees that the Administrator has jurisdiction over the Respondent and these matters pursuant to the Alaska Securities Act.

The Respondent wishes to resolve and settle this matter with the Administrator. As evidenced by the authorized signature on this Order, the Respondent consents to the entry of this Order assessing a civil penalty based on the Conclusions of Law and Order. The Respondent waives its right of appeal under AS 45.55.920(d).

I. FACTS

1. Touchstone, issuer of the Sands Capital Select Growth Fund (the fund), a mutual fund registered under the Investment Company Act of 1940, first notice filed the fund in the state of Alaska on December 3, 2003. The fund is exempt from state securities registration

1 according to section 18 of the Securities Act of 1933 (the 1933 Act); however, it is subject to
2 the notice filing provisions in Section 18(b)(2) of the 1933 Act and AS 45.55.075 and the
3 Alaska Administrative Code (AAC) 3 AAC 08.085, which require an issuer to file notice
4 with the Alaska Division of Banking and Securities (the Division) on NASAA Form NF and
5 pay either a one year \$600 filing fee, or a two year \$1,100 filing fee, when securities are
6 offered or sold in Alaska. All notice filings must be renewed before the date of expiration of
7 the previous notice filing.

8 2. Beginning in 2003, the Respondent, represented by its servicer, JP Morgan Chase
9 Bank, filed two year renewals and paid \$1,100 each time it renewed.

10 3. On November 18, 2009, the Respondent paid \$600 for a one year renewal, which
11 renewed the fund for the period December 4, 2009 to December 4, 2010. The renewal was
12 not renewed in 2010 as required by AS 45.55.075(b).

13 4. On November 18, 2011, the Respondent renewed the filing for two years and paid the
14 \$1,100 filing fee.

15 5. Between December 4, 2010 and November 17, 2011, the Respondent continued to
16 offer and sell funds in Alaska. The Respondent sold shares totaling at least \$2,000,000
17 during this period.

18 6. On January 12, 2012, the Respondent's new servicer notified the Division that it was
19 the new service provider for the fund and asked for confirmation of the registration dates.
20 The Division advised the new service provider that the fund's renewal had expired in 2010.

21 II. CONCLUSIONS OF LAW

22 1. The mutual fund shares offered and sold by the Respondent were federal covered
23 securities under AS 45.55.990(10).

24 2. The Respondent sold federal covered securities in the state of Alaska from December

1 4, 2010 to November 17, 2011 without filing the required notice filing and paying the
2 required fees in violation of AS 45.55.075.

3 3. The Respondent is subject to a civil penalty under AS 45.55.920 for failing to timely
4 file the required notice filings and pay the required fees.

5 **III. ORDER**

6 The Respondent is ordered to pay a civil penalty under AS 45.55.920(c) in the
7 amount of \$5,000.

8
9 SUSAN BELL, Commissioner
10 Department of Commerce, Community and Economic Development

11 02/19/2013

12 Date

/s/ Lorie L. Hovanec

Lorie L. Hovanec, Director
Division of Banking and Securities

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14
15 **Corporate Consent to Entry of Order**

16 I, Terrie A. Wiedenheft state that I am the Treasurer and Controller of Touchstone
17 Funds Group Trust (Touchstone); that I am authorized to act on its behalf; that I have read
18 the foregoing Order and that I know and fully understand the Order's contents; that
19 Touchstone has been represented by counsel in this matter; that Touchstone acknowledges
20 violation of the Alaska Securities Act; that Touchstone and I have been advised of the right
21 to a hearing; that Touchstone voluntarily and without any force or duress, consents to the
22 entry of this Order, without admitting or denying the factual allegations stated herein,
23 expressly waiving any right to a hearing in this matter; that Touchstone understands that the
24 Administrator reserves the right to take further actions to enforce this Order or to take

1 appropriate action upon discovery of other violations of the Alaska Securities Act, and that
2 Touchstone will fully comply with the terms and conditions stated herein.

3 Touchstone further assures the Administrator that Touchstone and its members,
4 officers, employees and agents will only effect securities transactions in Alaska in full
5 compliance with the terms of this Order, the Alaska Securities Act (AS 45.55) and
6 regulations (AAC 03.008).

7 Touchstone understands that this Consent Order is a public document.

8
9 02/6/2013
Date

/s/ Terrie A. Wiedenheft
Touchstone Funds Group Trust

10
11 Name Terrie A. Wiedenheft

12 Title Treasurer and Controller

13 SUBSCRIBED AND SWORN TO before me this 6th day of February, 2013 at Cincinnati,
14 Ohio.

15 /s/ Elizabeth F. Gibson
Notary Public in and for

16 Elizabeth F. Gibson

17 Notary Printed Name

18 My commission expires: 03/04/2017

19 Approved as to form:

20 /s/ Bo James Howell

21 Bo James Howell
Attorney for respondent

22 Contact Person:
23 Kristy M. Naylor
Securities Examiner
24 (907) 269-7675