(11) HAS REASONABLE CAUSE TO KNOW, OR SHOULD HAVE KNOWN, THAT THERE HAS BEEN:

(I) EMBEZZLEMENT OF FUNDS FROM THE PROVIDER;

(II) WRONGFUL SEQUESTRATION OR DIVERSION OF ASSETS OF THE PROVIDER;

(III) FORGERY OR FRAUD THAT AFFECTS THE PROVIDER; OR

(IV) OTHER ILLEGAL CONDUCT IN, BY, OR WITH RESPECT TO THE PROVIDER;

(12) IS CONTROLLED DIRECTLY OR INDIRECTLY BY A PERSON THAT THE SECRETARY FINDS TO BE UNTRUSTWORTHY; OR

(13) HAS FAILED TO FILE A FINANCIAL REPORT REQUIRED BY LAW WITHIN THE TIME ALLOWED BY LAW AND, AFTER WRITTEN DEMAND BY THE SECRETARY, HAS FAILED TO GIVE AN IMMEDIATE AND ADEQUATE EXPLANATION.

(B) LIQUIDATION.

(1) IF THE APPOINTMENT OF THE SECRETARY AS RECEIVER IS NOT THEN IN EFFECT, AND EVEN IF NO PREVIOUS ORDER HAS DIRECTED THE SECRETARY TO REHABILITATE A PROVIDER, THE SECRETARY MAY APPLY TO THE COURT FOR AN ORDER THAT APPOINTS THE SECRETARY AS RECEIVER AND THAT DIRECTS THE SECRETARY TO LIQUIDATE THE PROVIDER IF THE PROVIDER:

(I) HAS NOT DONE BUSINESS FOR AT LEAST 1 YEAR;

(II) IS A PROVIDER DETERMINED TO HAVE A SIGNIFICANT RISK OF FINANCIAL FAILURE UNDER PART VII OF THIS SUBTITLE AND HAS COMMENCED VOLUNTARY LIQUIDATION OR DISSOLUTION, OR ATTEMPTS TO COMMENCE OR PROSECUTE AN ACTION OR PROCEEDING TO LIQUIDATE ITS BUSINESS OR AFFAIRS, TO DISSOLVE ITS CORPORATE CHARTER, OR TO PROCURE THE APPOINTMENT OF A RECEIVER, TRUSTEE, CUSTODIAN, OR SEQUESTRATOR UNDER ANY LAW EXCEPT THIS TITLE;

(III) IS DOING BUSINESS IN A FRAUDULENT MANNER; OR

(IV) IS IN A CONDITION IN WHICH FURTHER REHABILITATION EFFORTS ON ANY GROUNDS SPECIFIED IN SUBSECTION (A) OF THIS SECTION APPEAR TO BE USELESS.

(2) IF AT ANY TIME DURING A REHABILITATION PROCEEDING THE SECRETARY DETERMINES THAT FURTHER EFFORTS TO REHABILITATE THE PROVIDER WOULD BE USELESS, THE SECRETARY MAY APPLY TO THE COURT FOR AN ORDER OF LIQUIDATION.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 70B, § 20G.