

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

FORM 10-K/A
(Amendment No. 2)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended November 30, 2011
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

COMMISSION FILE NUMBER: 001-33292

TORTOISE CAPITAL RESOURCES CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Other Jurisdiction of Incorporation or Organization)

20-3431375
(IRS Employer Identification No.)

11550 Ash Street, Suite 300
Leawood, Kansas
(Address of Principal Executive Offices)

66211
(Zip Code)

Registrant's Telephone Number, Including Area Code: (913) 981-1020

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

Title of Each Class
Common Stock, par value
\$0.001 per share

Name Of Each Exchange On Which Registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes No

The aggregate market value of common stock held by non-affiliates of the registrant on May 31, 2011 based on the closing price on that date of \$8.55 on the New York Stock Exchange was \$77,562,171. Common shares held by each executive officer and director and by each person who owns 10% or more of the outstanding common shares (as determined by information provided to the registrant) have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of December 31, 2011, the registrant had 9,176,889 common shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2012 Annual Meeting of Stockholders to be filed not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III of this Form 10-K.

TORTOISE CAPITAL RESOURCES CORPORATION
FORM 10-K/A

FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2011

Explanatory Note

This Amendment No. 2 to the Annual Report on Form 10-K (the "Amendment No. 2") of Tortoise Capital Resources Corporation (the "Company," "we" or "us") amends the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2011 that was originally filed with the Securities and Exchange Commission (the "Commission") on February 13, 2012 (the "Original 10-K") and amended on May 1, 2012 (the "Amended 10-K"). This Amendment No. 2 is being filed solely to include in Note 15 to the Company's consolidated financial statements certain financial statements of a portfolio company and to update information in Note 16 regarding the expected merger involving that portfolio company.

In addition, as required by Rule 12b-15 of the Securities Exchange Act of 1934, new certifications by our principal executive officer and principal financial officer are included herein as exhibits to the Amendment No. 2.

Except as described in this explanatory note, no other information in the Original 10-K or the Amended 10-K has been modified, updated or amended by the Amendment No. 2. Accordingly, the Amendment No. 2 should be read in conjunction with the Original 10-K, the Amended 10-K and the Company's other filings with the Commission. The Amendment No. 2 consists solely of the preceding cover page, this explanatory note, Part II Item 8 and Item 9A, the signature page and the exhibits identified in Part IV.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and financial statement schedules are set forth beginning on page F-1 in this Annual Report and are incorporated herein by reference.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

In connection with the preparation of the Annual Report on Form 10-K, an evaluation is performed under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on that evaluation, the Company's CEO and CFO conclude whether the Company's disclosure controls and procedures are effective as of the reporting date at the reasonable assurance level.

In connection with this Annual Report on Form 10-K for the year ended November 30, 2011, an evaluation was performed of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of November 30, 2011. Based on that evaluation, the Company's CEO and CFO concluded that the disclosure controls and procedures were effective as of November 30, 2011 at the reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducts an evaluation and assesses the effectiveness of the Company's internal control over financial reporting as of the reporting date. In making its assessment of internal control over financial reporting, management uses the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control-Integrated Framework*.

A material weakness is a control deficiency, or combination of control deficiencies, that result in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. As of November 30, 2011, management conducted an evaluation and assessed the effectiveness of the Company's internal control over financial reporting. Based on its evaluation, management concluded that the Company's internal control over financial reporting was effective as of November 30, 2011. Ernst & Young LLP, the Company's independent registered public accounting firm, has audited the consolidated financial statements of the Company for the year ended November 30, 2011, and has also issued an audit report dated February 13, 2012, on the effectiveness of the Company's internal control over financial reporting as of November 30, 2011, which is included in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Tortoise Capital Resources Corporation

We have audited Tortoise Capital Resources Corporation internal control over financial reporting as of November 30, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Tortoise Capital Resources Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Tortoise Capital Resources Corporation maintained, in all material respects, effective internal control over financial reporting as of November 30, 2011, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Tortoise Capital Resources Corporation (the Company) as of November 30, 2011 and 2010, and the related consolidated statements of income, equity, and cash flows for each of the three years in the period ended November 30, 2011 and our report dated February 13, 2012, except for Note 15 and Note 16, as to which the date is June 1, 2012, expressed an unqualified opinion thereon.

/s/Ernst & Young LLP

Kansas City, Missouri
February 13, 2012

Oversight and Monitoring

As part of our internal control processes, we monitor, on an ongoing basis, compliance by tenants with their lease obligations and other factors that could affect the financial performance of any of our properties. Monitoring involves receiving assurances that each tenant has paid real estate taxes, assessments and other expenses relating to the properties it occupies and confirming that appropriate insurance coverage is being maintained by the tenant. We review financial statements of tenants and undertake regular physical inspections of the condition and maintenance of properties. Additionally, we periodically analyze each tenant's financial condition, the industry in which each tenant operates and each tenant's relative strength in its industry. In addition, monitoring may be accomplished by attendance at Board of Directors meetings, the review of periodic operating and financial reports, an analysis of capital expenditure plans as they relate to the owned assets, and periodic consultations with engineers, geologists and other experts. The performance of each asset will be periodically compared to performance of similarly sized companies with comparable assets and businesses to assess performance relative to peers. Other monitoring activities are expected to provide the necessary access to monitor compliance with existing covenants, enhance ability to make qualified valuation decisions, and assist in the evaluation of the nature of the risks involved in the various components of the portfolio.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Annual Report on Form 10-K:

1. The Financial Statements listed in the Index to Financial Statements on Page F-1.
2. The Exhibits listed in the Exhibit Index below.

Exhibit

No.	Description of Document
31.1	<i>Certification by Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002—filed herewith.</i>
31.2	<i>Certification by Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002—filed herewith.</i>

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Tortoise Capital Resources Corporation

We have audited the accompanying consolidated balance sheets of Tortoise Capital Resources Corporation (the Company) as of November 30, 2011 and 2010, and the related consolidated statements of income, equity, and cash flows for each of the three years in the period ended November 30, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tortoise Capital Resources Corporation at November 30, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the three years in the period ended November 30, 2011, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Tortoise Capital Resources Corporation's internal control over financial reporting as of November 30, 2011, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 13, 2012, expressed an unqualified opinion thereon.

/s/Ernst & Young LLP

Kansas City, Missouri
February 13, 2012
except for Note 15 and Note 16, as to which the date is
June 1, 2012



CONSOLIDATED BALANCE SHEETS

	November 30, 2011	November 30, 2010
Assets		
Trading securities, at fair value	\$ 27,037,642	\$ 20,806,821
Other equity securities, at fair value	41,856,730	72,929,409
Leased property, net of accumulated depreciation of \$294,309	13,832,540	—
Cash and cash equivalents	2,793,326	1,466,193
Property and equipment, net of accumulated depreciation of \$1,483,616	3,842,675	—
Escrow receivable	1,677,052	—
Accounts receivable	1,402,955	—
Intangible lease asset, net of accumulated amortization of \$121,641	973,130	—
Lease receivable	474,152	—
Prepaid expenses	140,017	25,023
Receivable for Adviser expense reimbursement	121,962	109,145
Interest receivable	—	42,778
Deferred tax asset	27,536	656,743
Other assets	107,679	5,281
Total Assets	94,287,396	96,041,393
Liabilities and Stockholders' Equity		
Liabilities		
Management fees payable to Adviser	365,885	327,436
Accounts payable	597,157	—
Long-term debt	2,279,883	—
Lease obligation	107,550	—
Accrued expenses and other liabilities	510,608	234,784
Total Liabilities	3,861,083	562,220
Stockholders' Equity		
Warrants, no par value; 945,594 issued and outstanding at November 30, 2011 and November 30, 2010 (5,000,000 authorized)	\$ 1,370,700	\$ 1,370,700
Capital stock, non-convertible, \$0.001 par value; 9,176,889 shares issued and outstanding at November 30, 2011 and 9,146,506 shares issued and outstanding at November 30, 2010 (100,000,000 shares authorized)	9,177	9,147
Additional paid-in capital	95,682,738	98,444,952
Accumulated deficit	(6,636,302)	(4,345,626)
Total Stockholders' Equity	\$ 90,426,313	\$ 95,479,173
Total Liabilities and Stockholders' Equity	\$ 94,287,396	\$ 96,041,393
Book value per share (total stockholders' equity divided by shares outstanding)	\$ 9.85	\$ 10.44

See accompanying Notes to Consolidated Financial Statements.



CONSOLIDATED STATEMENTS OF INCOME

	Year Ended November 30, 2011	Year Ended November 30, 2010	Year Ended November 30, 2009
Revenue			
Sales Revenue	\$ 2,161,723	\$ —	\$ —
Lease income	1,063,740	—	—
Total Revenue	3,225,463	—	—
Expenses			
Cost of sales	1,689,374	—	—
Management fees, net of expense reimbursements	968,163	925,820	1,126,327
Asset acquisition expense	638,185	—	—
Professional fees	548,759	590,486	553,856
Depreciation expense	364,254	—	—
Operating expenses	196,775	—	—
Directors' fees	70,192	92,053	90,257
Interest expense	36,508	45,619	627,707
Other expenses	183,674	244,398	267,666
Total Expenses	4,695,884	1,898,376	2,665,813
Loss from Operations	(1,470,421)	(1,898,376)	(2,665,813)
Other Income			
Net realized and unrealized gain (loss) on trading securities	2,299,975	(894,531)	144,723
Net realized and unrealized gain on other equity securities	2,283,773	20,340,602	981,909
Distributions and dividend income, net	651,673	1,853,247	1,743,017
Other income	40,000	38,580	61,514
Total Other Income	5,275,421	21,337,898	2,931,163
Income before Income Taxes	3,805,000	19,439,522	265,350
Current tax expense	(253,650)	—	—
Deferred tax expense	(629,207)	(4,772,648)	(254,356)
Income tax expense, net	(882,857)	(4,772,648)	(254,356)
Net Income	\$ 2,922,143	\$ 14,666,874	\$ 10,994
Earnings Per Common Share:			
Basic and Diluted	\$ 0.32	\$ 1.61	\$ 0.00
Weighted Average Shares of Common Stock Outstanding:			
Basic and Diluted	9,159,809	9,107,070	8,997,145

See accompanying Notes to Consolidated Financial Statements.



CONSOLIDATED STATEMENTS OF EQUITY

	Capital Stock		Warrants	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total
	Shares	Amount				
Balance at December 1, 2008	8,962,147	\$ 8,962	\$ 1,370,700	\$ 106,869,132	\$ (19,023,494)	\$ 89,225,300
Net Income					10,994	10,994
Distributions to stockholders sourced as return of capital				(5,582,473)		(5,582,473)
Reinvestment of distributions to stockholders	115,943	116		642,648		642,764
Balance at November 30, 2009	<u>9,078,090</u>	<u>9,078</u>	<u>1,370,700</u>	<u>101,929,307</u>	<u>(19,012,500)</u>	<u>84,296,585</u>
Net Income					14,666,874	14,666,874
Distributions to stockholders sourced as return of capital				(3,915,124)		(3,915,124)
Reinvestment of distributions to stockholders	68,416	69		430,769		430,838
Balance at November 30, 2010	<u>9,146,506</u>	<u>9,147</u>	<u>1,370,700</u>	<u>98,444,952</u>	<u>(4,345,626)</u>	<u>95,479,173</u>
Net Income					2,922,143	2,922,143
Distributions to stockholders sourced as return of capital				(3,755,607)		(3,755,607)
Reinvestment of distributions to stockholders	30,383	30		252,212		252,242
Consolidation of wholly-owned subsidiary				741,181	(5,212,819)	(4,471,638)
Balance at November 30, 2011	<u>9,176,889</u>	<u>\$ 9,177</u>	<u>\$ 1,370,700</u>	<u>\$ 95,682,738</u>	<u>\$ (6,636,302)</u>	<u>\$ 90,426,313</u>

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended November 30, 2011	Year Ended November 30, 2010	Year Ended November 30, 2009
Operating Activities			
Net Income	\$ 2,922,143	\$ 14,666,874	\$ 10,994
Adjustments:			
Distributions received from investment securities	2,845,434	3,064,204	6,791,394
Deferred income tax expense, net	629,207	4,772,648	254,356
Depreciation expense	364,254	—	—
Amortization of intangible lease asset	121,641	—	—
Amortization of assumed debt premium	(94,611)	—	—
Realized and unrealized (gain) loss on trading securities	(2,299,975)	894,531	(144,723)
Realized and unrealized (gain) loss on other equity securities	(2,283,773)	(20,340,602)	(981,909)
Changes in assets and liabilities:			
(Increase) decrease in interest, dividend and distribution receivable	42,778	(42,774)	77,218
Decrease in lease receivable	237,077	—	—
Increase in accounts receivable	(92,473)	—	—
Decrease in income tax receivable	—	—	212,054
Decrease (increase) in prepaid expenses and other assets	70,109	(13,429)	91,004
Increase (decrease) in management fees payable to Adviser, net of expense reimbursement	25,632	(30,926)	(195,410)
Increase in accounts payable	236,579	—	—
Increase (decrease) in accrued expenses and other liabilities	38,424	(47,625)	(79,874)
Net cash provided by operating activities	<u>\$ 2,762,446</u>	<u>\$ 2,922,901</u>	<u>\$ 6,035,104</u>
Investing Activities			
Purchases of long-term investments	(38,060,281)	(10,633,882)	(6,669,391)
Proceeds from sales of long-term investments	53,950,583	15,762,612	24,312,558
Cash paid in business combination	(12,250,000)	—	—
Purchases of property and equipment	(1,045)	—	—
Net cash provided by investing activities	<u>\$ 3,639,257</u>	<u>\$ 5,128,730</u>	<u>\$ 17,643,167</u>
Financing Activities			
Payments on long-term debt	(1,221,000)	—	—
Payments on lease obligation	(44,816)	—	—
Advances from revolving line of credit	—	—	900,000
Repayments on revolving line of credit	(400,000)	(4,600,000)	(18,500,000)
Distributions paid to common stockholders	(3,503,365)	(3,484,284)	(4,939,797)
Net cash used in financing activities	<u>\$ (5,169,181)</u>	<u>\$ (8,084,284)</u>	<u>\$ (22,539,797)</u>
Net Change in Cash and Cash Equivalents	<u>\$ 1,232,522</u>	<u>\$ (32,653)</u>	<u>\$ 1,138,474</u>
Consolidation of wholly-owned subsidiary	94,611	—	—
Cash and Cash Equivalents at beginning of year	1,466,193	1,498,846	360,372
Cash and Cash Equivalents at end of year	<u>\$ 2,793,326</u>	<u>\$ 1,466,193</u>	<u>\$ 1,498,846</u>
Supplemental Disclosure of Cash Flow Information			
Interest paid	\$ 176,595	\$ 66,703	\$ 674,245
Income taxes paid	\$ 253,650	\$ —	\$ —
Non-Cash Financing Activities			
Reinvestment of distributions by common stockholders in additional common shares	\$ 252,242	\$ 430,838	\$ 642,764

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
November 30, 2011

1. Organization

Tortoise Capital Resources Corporation (the “Company”) was organized as a Maryland corporation on September 8, 2005. The Company completed its initial public offering in February 2007 as a non-diversified closed-end management investment company regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company withdrew its election to be treated as a BDC on September 21, 2011 in order to pursue qualification as a real estate investment trust (“REIT”). Historically as a BDC, the Company invested primarily in privately held companies operating in the U.S. energy infrastructure sector. The Company’s shares are listed on the New York Stock Exchange under the symbol “TTO.”

2. Significant Accounting Policies

A. Use of Estimates — The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of distribution income and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

B. Basis of Presentation — The Company’s consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Mowood, LLC (“Mowood”). Mowood is the holding company for Omega Pipeline Company (“Omega”). Omega is a natural gas local distribution company that owns and operates a natural gas distribution system in Fort Leonard Wood, Missouri. Omega is responsible for purchasing and coordinating delivery of natural gas to Fort Leonard Wood as well as performing maintenance and expansion of the pipeline. In addition, Omega provides gas marketing services to local commercial end users. All significant inter-company balances and transactions have been eliminated in consolidation.

Consolidation of Mowood was triggered at the time the Company withdrew its election to be treated as a BDC (September 21, 2011) and began reporting its financial results in accordance with general corporate reporting guidelines instead of under the AICPA Investment Company Audit Guide (the “Guide”). The accompanying consolidated financial statements reflect the results of the Company’s operations for the years ended November 30, 2009 and 2010 and the period from December 1, 2010 to September 21, 2011, during which time the Company reported under the Guide, and therefore reported and accounted for Mowood as an investment carried at fair value. Subsequent to September 21, 2011, the Company ceased reporting under the Guide. The results of operations for Mowood for the period from September 21, 2011 to November 30, 2011 and related balances at November 30, 2011 are included in the Company’s consolidated financial statements as of and for the year ended November 30, 2011. Certain prior year balances have been reclassified to conform to the presentation required for general corporate entities and to provide comparability of financial results across reporting periods. The reclassification of account balances for prior years, which are summarized below, did not impact the Company’s financial position or reported net results of operations:

- Investments at fair value, including securities of control, affiliated and non-affiliated companies, at November 30, 2010 have been reclassified as either trading or other equity securities.
- Components of Stockholders’ Equity on the Consolidated Balance Sheets as of November 30, 2010 have been combined. Accumulated net investment loss, net of income taxes of \$(3,308,522), accumulated realized loss, net of income taxes of \$(18,532,648), and net unrealized appreciation of investments, net of income taxes of \$17,495,544 have been combined into Accumulated Deficit.
- Items on the Consolidated Statements of Income for the years ended November 30, 2010 and 2009 have been reclassified and aggregated to conform to the presentation of the results of operations for the year ended November 30, 2011. However, there was no impact to net income or earnings per share. Income from investment securities are no longer considered to be part of the Company’s operations and therefore have been classified as Other Income.
- Components of cash flows for the years ended November 30, 2010 and 2009 have been reclassified and aggregated to conform to the presentation of cash flows for the year ended November 30, 2011.

C. Investment Securities — The Company’s investments in securities are classified as either trading or other equity securities:

- Trading securities — the Company’s publicly traded equity securities are classified as trading securities and are reported at fair value because the Company intends to sell these securities in order to acquire real asset investments.
- Other equity securities — the Company’s other equity securities represent interests in private companies for which the Company has elected to report these at fair value under the fair value option.

D. Security Transactions and Fair Value — Security transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses are reported on an identified cost basis.

For equity securities that are freely tradable and listed on a securities exchange or over-the-counter market, the Company fair values those securities at their last sale price on that exchange or over-the-counter market on the valuation date. If the security is listed on more than one exchange, the Company will use the price from the exchange that it considers to be the principal exchange on which the security is traded. Securities listed on the NASDAQ will be valued at the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If there has been no sale on such exchange or over-the-counter market on such day, the security will be valued at the mean between the last bid price and last ask price on such day.

An equity security of a publicly traded company acquired in a private placement transaction without registration is subject to restrictions on resale that can affect the security's liquidity and fair value. Such securities that are convertible into or otherwise will become freely tradable will be valued based on the market value of the freely tradable security less an applicable discount. Generally, the discount will initially be equal to the discount at which the Company purchased the securities. To the extent that such securities are convertible or otherwise become freely tradable within a time frame that may be reasonably determined, an amortization schedule may be used to determine the discount.

The Company holds investments in illiquid securities including debt and equity securities of privately-held companies. These investments generally are subject to restrictions on resale, have no established trading market and are fair valued on a quarterly basis. Because of the inherent uncertainty of valuation, the fair values of such investments, which are determined in accordance with procedures approved by the Company's Board of Directors, may differ materially from the values that would have been used had a ready market existed for the investments. The Company's Board of Directors may consider other methods of valuing investments as appropriate and in conformity with GAAP.

The Company determines fair value to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has determined the principal market, or the market in which the Company exits its private portfolio investments with the greatest volume and level of activity, to be the private secondary market. Typically, private companies are bought and sold based on multiples of EBITDA, cash flows, net income, revenues, or in limited cases, book value.

For private company investments, value is often realized through a liquidity event of the entire company. Therefore, the value of the company as a whole (enterprise value) at the reporting date often provides the best evidence of the value of the investment and is the initial step for valuing the Company's privately issued securities. For any one company, enterprise value may best be expressed as a range of fair values, from which a single estimate of fair value will be derived. In determining the enterprise value of a portfolio company, an analysis is prepared consisting of traditional valuation methodologies including market and income approaches. The Company considers some or all of the traditional valuation methods based on the individual circumstances of the portfolio company in order to derive its estimate of enterprise value.

The fair value of investments in private portfolio companies is determined based on various factors, including enterprise value, observable market transactions, such as recent offers to purchase a company, recent transactions involving the purchase or sale of the equity securities of the company, or other liquidation events. The determined equity values may be discounted when the Company has a minority position, is subject to restrictions on resale, has specific concerns about the receptivity of the capital markets to a specific company at a certain time, or other comparable factors exist.

The Board of Directors undertakes a multi-step valuation process each quarter in connection with determining the fair value of private investments. An independent valuation firm has been engaged by the Board of Directors to provide independent, third-party valuation consulting services based on procedures that the Board of Directors has identified and may ask them to perform from time to time on all or a selection of private investments as determined by the Board of Directors. The multi-step valuation process is specific to the level of assurance that the Board of Directors requests from the independent valuation firm. For positive assurance, the process is as follows:

- The independent valuation firm prepares the preliminary valuations and the supporting analysis. At November 30, 2011, the independent valuation firm performed positive assurance valuation procedures on five portfolio companies comprising approximately 99.9 percent of the total fair value of other equity securities;
- The investment professionals of the Adviser review the preliminary valuations and supporting analyses, and consider and assess, as appropriate, any changes that may be required to the preliminary valuations;
- The Investment Committee of the Adviser reviews the preliminary valuations and supporting analyses, and considers and assesses, as appropriate, any changes that may be required to the preliminary valuations;
- The Board of Directors assesses the final valuations and ultimately determines the fair value of each investment in the Company's portfolio in good faith.

The following section describes the valuation methodologies used by the Company for estimating fair value for financial instruments not recorded at fair value as required under disclosure guidance

related to the fair value of financial instruments.

Cash and Cash Equivalents — The carrying value of cash, amounts due from banks, federal funds sold and securities purchased under resale agreements approximates fair value.

Escrow Receivable — The fair value of the escrow receivable due the Company, which relates to the sale of International Resource Partners, LP, will be released upon satisfaction of certain post closing obligations and/or the expiration of certain time periods (the shortest of which is 14 months from the April 2011 closing date of the sale).

Long-term Debt — The fair value of the Company's long-term debt is calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the Company's current expected rate for an equivalent transaction.

The estimated fair values of the Company's financial instruments are shown in the table below:

	2011		2010	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets				
Cash and cash equivalents	\$ 2,793,326	\$ 2,793,326	\$ 1,466,193	\$ 1,466,193
Escrow Receivable	1,677,052	1,677,052	—	—
Financial Liabilities				
Long-term debt	2,279,883	2,320,851	—	—

E. *Cash and Cash Equivalents* — The Company maintains cash balances at financial institutions in amounts that regularly exceed FDIC insured limits. The Company's cash equivalents are comprised of short-term, liquid money market instruments.

F. *Accounts Receivable* — Accounts receivable are presented at face value net of an allowance for doubtful accounts. Accounts are considered past due based on the terms of sale with the customers. The Company reviews accounts for collectability based on an analysis of specific outstanding receivables, current economic conditions and past collection experience. Management determined that an allowance for doubtful accounts was not necessary at November 30, 2011.

G. *Revenue and Other Income Recognition* — Specific policies for the Company's revenue and other income items are as follows:

- *Sales Revenue* — Omega, acting as a principal, provides for transportation services and natural gas supply for its customers on a firm basis. In addition, Omega is paid fees for the operation and maintenance of its pipeline, including expansion of the pipeline. Omega is responsible for the coordination, supervision and quality of the expansions while actual construction is generally performed by third party contractors. Revenues related to natural gas distribution are recognized upon delivery of natural gas and upon the substantial performance of management and supervision services related to the expansion of the natural gas distribution system.
- *Dividends and distributions from investments* — Dividends and distributions from investments are recorded on their ex-dates and are reflected as other income within the accompanying Consolidated Statements of Income. Distributions received from the Company's investments generally are comprised of ordinary income, capital gains and return of capital. The Company records investment income, capital gains and return of capital based on estimates made at the time such distributions are received. Such estimates are based on information available from each company and/or other industry sources. These estimates may subsequently be revised based on information received from the entities after their tax reporting periods are concluded, as the actual character of these distributions is not known until after the fiscal year end of the Company.

During the year ended November 30, 2011, the Company reallocated the amount of 2010 income and return of capital it recognized for the period from December 1, 2009 through November 30, 2010 based on the 2010 tax reporting information received from the individual portfolio companies. This reclassification amounted to a decrease in pre-tax net income of approximately \$422,000 or \$0.046 per share (\$263,000 or \$0.029 per share, net of deferred tax benefit); an increase in net realized and unrealized gains on trading securities of approximately \$47,000 or \$0.005 per share (\$29,000 or \$0.003 per share, net of deferred tax expense) and an increase in net realized and unrealized gains on other equity securities of approximately \$375,000 or \$0.041 per share (\$234,000 or \$0.026 per share, net of deferred tax expense) for the year ended November 30, 2011.

- *Realized and unrealized gains (losses) on trading securities and other equity securities* — Changes in the fair values of the Company's securities during the period reported and the gains or losses realized upon sale of securities during the period are reflected as other income within the accompanying Consolidated Statements of Income.
- *Lease Income* — Income related to the Company's leased property is recognized on a straight-line basis over the term of the lease when collectability is reasonably assumed. Rental payments on the leased property are typically received on a semi-annual basis and are included as lease income within the accompanying Consolidated Statements of Income.

H. *Cost of Sales* — Included in the Company's cost of sales are the amounts paid for gas and propane that are delivered to customers as well as the cost of material and labor related to the expansion of the natural gas distribution system.

I. *Distributions to Stockholders* — The amount of any quarterly distributions to stockholders will be determined by the Board of Directors. Distributions to stockholders are recorded on the ex-dividend date. The character of distributions made during the year may differ from their ultimate characterization for federal income tax purposes. For the years ended November 30, 2011, November 30, 2010 and November 30, 2009, the source of the Company's distributions for book purposes was 100 percent return of capital. For the year ended November 30, 2011, the Company's distributions for tax purposes were comprised of 100 percent qualified dividend income. For the years ended November 30, 2010 and November 30, 2009, the Company's distributions for tax purposes were comprised of 100 percent return of capital.

J. *Federal and State Income Taxation* — The Company, as a corporation, is obligated to pay federal and state income tax on its taxable income. Currently, the highest regular marginal federal income tax rate for a corporation is 35 percent. The Company may be subject to a 20 percent federal alternative minimum tax on its federal alternative minimum taxable income to the extent that its alternative minimum tax exceeds its regular federal income tax.

The Company's trading securities and other equity securities are limited partnerships or limited liability companies which are treated as partnerships for federal and state income tax purposes. As a limited partner, the Company reports its allocable share of taxable income in computing its own taxable income. The Company's tax expense or benefit is included in the Consolidated Statements of Income. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

K. *Leases* — The Company includes assets subject to lease arrangements within Leased property, net of accumulated depreciation in the Consolidated Balance Sheet. Lease payments received are reflected in lease income on the Consolidated Statements of Income, net of amortization of any off market adjustments.

L. *Long-Lived Assets and Intangibles* — Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to twenty years. Expenditures for repairs and maintenance are charged to operations as incurred, and improvements, which extend the useful lives of assets, are capitalized and depreciated over the remaining estimated useful life of the asset.

The Company initially records long-lived assets at their acquisition cost, unless the transaction is accounted for as a business combination. If the transaction is accounted for as a business combination, the Company allocates the purchase price to the acquired tangible and intangible assets and liabilities based on their estimated fair values. The Company determines the fair values of assets and liabilities based on discounted cash flow models using current market assumptions, appraisals, recent transactions involving similar assets or liabilities and/or other objective evidence, and depreciates the asset values over the estimated remaining useful lives.

In connection with these transactions, the Company may acquire long-lived assets that are subject to an existing lease contract with the seller or other lessee party and the Company may assume outstanding debt of the seller as part of the consideration paid. If, at the time of acquisition, the existing lease or debt contract is not at current market terms, the Company will record an asset or liability at the time of acquisition representing the amount by which the fair value of the lease or debt contract differs from its contractual value. Such amount is then amortized over the remaining contract term as an adjustment to the related lease revenue or interest expense.

M. *Offering Costs* — Offering costs related to the issuance of common stock are charged to additional paid-in capital when the stock is issued.

N. *Recent Accounting Pronouncement* — In May 2011, the FASB issued ASU No. 2011-04 "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements" in GAAP and the International Financial Reporting Standards ("IFRSs"). ASU No. 2011-04 amends FASB ASC Topic 820, Fair Value Measurements and Disclosures, to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP and IFRSs. ASU No. 2011-04 is effective for fiscal years beginning after December 15, 2011 and for interim periods within those fiscal years. Management is currently evaluating the impact of these amendments and does not believe they will have a material impact on the Company's consolidated financial statements.

3. Concentrations

The Company has historically invested in securities of privately-held and publicly-traded companies in the midstream and downstream segments of the U.S. energy infrastructure sector. As of November 30, 2011, investments in securities of energy infrastructure companies represented approximately 73 percent of the Company's total assets. The Company is now focused on identifying and acquiring real property assets in the U.S. energy infrastructure sector that are REIT qualified.

The Company's leased property at November 30, 2011 is leased to a single entity, Public Service Company of New Mexico, as further described in Note 7 below. Public Service Company of New Mexico's financial condition and ability and willingness to satisfy its obligations under its leases with the Company have a considerable impact on the Company's results of operations and ability to service its indebtedness.

Mowood, the Company's wholly owned subsidiary, has a ten-year contract expiring in 2015 to supply natural gas to the Department of Defense ("DOD"). Revenue related to the DOD contract accounted for 88 percent of sales revenues for the period from September 21, 2011 through November 30, 2011. Mowood, through its wholly owned subsidiary Omega, performs management and supervision services related to the expansion of the natural gas distribution system used by the DOD. Revenues related to these services accounted for 16 percent of sales revenues for the period from September 21, 2011 through November 30, 2011. Amounts due from the DOD account for 85 percent of the consolidated accounts receivable balance at November 30, 2011.

Mowood's contracts for its supply of natural gas are concentrated among select providers. Payments to the top supplier of natural gas accounted for 60 percent of cost of sales for the period from September 21, 2011 through November 30, 2011.

4. Agreements

The Company entered into a new management agreement after its fiscal year end as more fully described in Note 15. From the Company's inception through November 30, 2011, it had an Investment Advisory Agreement with Tortoise Capital Advisors, L.L.C. Under the terms of the Investment Advisory Agreement, the Adviser is paid a fee consisting of a base management fee and an incentive fee. The base management fee is 0.375 percent (1.5 percent annualized) of the Company's average monthly Managed Assets, calculated and paid quarterly in arrears within thirty days of the end of each fiscal quarter. The term "Managed Assets" as used in the calculation of the management fee means total assets (including any assets purchased with or attributable to borrowed funds but excluding any net deferred tax asset) minus accrued liabilities other than (1) net deferred tax liabilities, (2) debt entered into for the purpose of leverage and (3) the aggregate liquidation preference of any outstanding preferred shares. The base management fee for any partial quarter is appropriately prorated.

The Adviser reimbursed the Company for certain expenses in an amount equal to an annual rate of 0.25 percent of the Company's average monthly Managed Assets during the period from December 1, 2008 through May 31, 2010 and in an amount equal to an annual rate of 0.50 percent of the Company's average monthly Managed Assets from June 1, 2010 through November 30, 2011. During the years ended November 30, 2011, November 30, 2010 and November 30, 2009, the Adviser reimbursed the Company \$484,082, \$308,003 and \$225,266, respectively, which are included in management fees, net of expense reimbursement in the Consolidated Statements of Income. If the Adviser had not reimbursed the Company for these fees, management fees would have been higher.

The incentive fee consists of two parts. The first part, the investment income fee, is equal to 15 percent of the excess, if any, of the Company's Net Investment Income for the fiscal quarter over a quarterly hurdle rate equal to 2 percent (8 percent annualized), and multiplied, in either case, by the Company's average monthly Net Assets for the quarter. "Net Assets" means the Managed Assets less deferred taxes, debt entered into for the purposes of leverage and the aggregate liquidation preference of any outstanding preferred shares. "Net Investment Income" means interest income (including accrued interest that we have not yet received in cash), dividend and distribution income from equity investments (but excluding that portion of cash distributions that are treated as a return of capital), and any other income (including any fees such as commitment, origination, syndication, structuring, diligence, monitoring, and consulting fees or other fees that the Company is entitled to receive from portfolio companies) accrued during the fiscal quarter, minus the Company's operating expenses for such quarter (including the base management fee, expense reimbursements payable pursuant to the Investment Advisory Agreement, any interest expense, any accrued income taxes related to net investment income, and distributions paid on issued and outstanding preferred stock, if any, but excluding the incentive fee payable). Net Investment Income also includes, in the case of investments with a deferred interest or income feature (such as original issue discount, debt or equity instruments with a payment-in-kind feature, and zero coupon securities), accrued income that the Company has not yet received in cash. Net Investment Income does not include any realized capital gains, realized capital losses, or unrealized capital appreciation or depreciation. The investment income fee is calculated and payable quarterly in arrears within thirty (30) days of the end of each fiscal quarter. The investment income fee calculation is adjusted appropriately on the basis of the number of calendar days in the first fiscal quarter the fee accrues or the fiscal quarter during which the Agreement is in effect in the event of termination of the Agreement during any fiscal quarter. During the years ended November 30, 2011, November 30, 2010 and November 30, 2009, the Company accrued no investment income fees.

The second part of the incentive fee payable to the Adviser, the capital gain incentive fee, is equal to: (A) 15 percent of (i) the Company's net realized capital gains (realized capital gains less realized capital losses) on a cumulative basis from inception to the end of each fiscal year, less (ii) any unrealized capital depreciation at the end of such fiscal year, less (B) the aggregate amount of all capital gain fees paid to the Adviser in prior fiscal years. The capital gain incentive fee is calculated and payable annually within thirty (30) days of the end of each fiscal year. In the event the Investment Advisory Agreement is terminated, the capital gain incentive fee calculation shall be undertaken as of, and any resulting capital gain incentive fee shall be paid

within thirty (30) days of the date of termination. The Adviser may, from time to time, waive or defer all or any part of the compensation described in the Investment Advisory Agreement.

The calculation of the capital gain incentive fee does not include any capital gains that result from that portion of any scheduled periodic distributions made possible by the normally recurring cash flow from the operations of portfolio companies ("Expected Distributions") that are characterized by the Company as return of capital for U.S. generally accepted accounting principles purposes. In that regard, any such return of capital will not be treated as a decrease in the cost basis of an investment for purposes of calculating the capital gain incentive fee. This does not apply to any portion of any distribution from a portfolio company that is not an Expected Distribution. Realized capital gains on a security will be calculated as the excess of the net amount realized from the sale or other disposition of such security over the adjusted cost basis for the security. Realized capital losses on a security will be calculated as the amount by which the net amount realized from the sale or other disposition of such security is less than the adjusted cost basis of such security. Unrealized capital depreciation on a security will be calculated as the amount by which the Company's adjusted cost basis of such security exceeds the fair value of such security at the end of a fiscal year.

The payable for capital gain incentive fees is a result of the increase or decrease in the fair value of investments and realized gains or losses from investments. For the years ended November 30, 2011, November 30, 2010 and November 30, 2009, the Company accrued no capital gain incentive fees. Pursuant to the Investment Advisory Agreement, the capital gain incentive fee is paid annually only if there are realization events and only if the calculation defined in the agreement results in an amount due. No capital gain incentive fees have been paid since the commencement of operations.

U.S. Bancorp Fund Services, LLC serves as the Company's fund accounting services provider. The Company pays the provider a monthly fee computed at an annual rate of \$24,000 on the first \$50,000,000 of the Company's Net Assets, 0.0125 percent on the next \$200,000,000 of Net Assets, 0.0075 percent on the next \$250,000,000 of Net Assets and 0.0025 percent on the balance of the Company's Net Assets.

The Adviser serves as the Company's administrator. The Company paid the administrator a fee equal to an annual rate of 0.07 percent of aggregate average daily Managed Assets up to and including \$150,000,000, 0.06 percent of aggregate average daily Managed Assets on the next \$100,000,000, 0.05 percent of aggregate average daily Managed Assets on the next \$250,000,000, and 0.02 percent on the balance thru November 30, 2010. On December 1, 2010, the Company entered into an Amended Administration Agreement with the administrator that decreased the fee to an amount equal to an annual rate of 0.04 percent of aggregate average daily Managed Assets, with a minimum annual fee of \$30,000. This fee is calculated and accrued daily and paid quarterly in arrears.

5. Income Taxes

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting and tax purposes. Components of the Company's deferred tax assets and liabilities as of November 30, 2011 and November 30, 2010 are as follows:

	November 30, 2011	November 30, 2010
Deferred tax assets:		
Organization costs	\$ (20,068)	\$ (21,231)
Capital loss carryforwards	—	(4,268,529)
Net operating loss carryforwards	(2,624,525)	(6,343,988)
Cost recovery of leased assets	(119,970)	—
AMT and State of Kansas credit	(205,039)	(5,039)
Valuation allowance	—	558,533
	<u>(2,969,602)</u>	<u>(10,080,254)</u>
Deferred tax liabilities:		
Basis reduction of investment in partnerships	2,244,914	783,156
Net unrealized gain on investment securities	697,152	8,640,355
	<u>2,942,066</u>	<u>9,423,511</u>
Total net deferred tax asset	\$ (27,536)	\$ (656,743)

At November 30, 2011, a valuation allowance on deferred tax assets was not deemed necessary because the Company believes it is more likely than not that there is an ability to realize its deferred tax assets through future taxable income. Any adjustments to the Company's estimates of future taxable income will be made in the period such determination is made. The Company's policy is to record interest and penalties on uncertain tax positions as part of tax expense. As of November 30, 2011, the Company had no uncertain tax positions and no penalties and interest were accrued. The Company does not expect any change to its unrecognized tax positions in the twelve months subsequent to November 30, 2011. Tax years subsequent to the year ending November 30, 2006 remain open to examination by federal and state tax authorities.

Total income tax expense differs from the amount computed by applying the federal statutory income tax rates of 35 percent for the year ended November 30, 2011 and 34 percent for the years ended November 30, 2010 and 2009 to net investment loss and net realized and unrealized gains (losses) on investments for the years presented, as follows:

	For the year ended November 30, 2011	For the year ended November 30, 2010	For the year ended November 30, 2009
Application of statutory income tax rate	\$ 1,331,750	\$ 6,609,437	\$ 90,219
State income taxes, net of federal tax benefit	133,158	353,799	9,314
Dividends received deduction	(86)	—	—
Change in deferred tax liability due to change in overall tax rate	(23,432)	288,968	(68,375)
Change in deferred tax valuation allowance	(558,533)	(2,479,556)	223,198
Total income tax expense	\$ <u>882,857</u>	\$ <u>4,772,648</u>	\$ <u>254,356</u>

Total income taxes are computed by applying the federal statutory rate plus a blended state income tax rate. During the year, the Company re-evaluated its overall federal and state income tax rate, increasing it from 35.82 percent to 37.62 percent, due to (1) an anticipated 35 percent federal rate, and (2) anticipated state apportionment of income and gains.

The components of income tax expense include the following for the years presented:

	For the year ended November 30, 2011	For the year ended November 30, 2010	For the year ended November 30, 2009
Current tax expense			
State (reflects a federal tax benefit in deferred tax expense)	\$ 53,650	\$ —	\$ —
AMT	200,000	—	—
Total current tax expense	253,650	—	—
Deferred tax expense			
Federal	585,386	4,530,152	230,554
State (net of federal tax benefit)	43,821	242,496	23,802
Total deferred tax expense	629,207	4,772,648	254,356
Total income tax expense	\$ <u>882,857</u>	\$ <u>4,772,648</u>	\$ <u>254,356</u>

The deferred income tax expense for the years ended November 30, 2011, 2010 and 2009 includes the impact of the change in valuation allowance for such respective years.

As of November 30, 2011, the Company had a net operating loss for federal income tax purposes of approximately \$7,236,000. The net operating loss may be carried forward for 20 years. If not utilized, this net operating loss will expire as follows: \$3,883,000 and \$3,353,000 in the years ending November 30, 2029 and 2030, respectively. As of November 30, 2011, the Company utilized its capital loss carryforward of approximately \$12,000,000. The capital gains for the year ended November 30, 2011 have been estimated based on information currently available. Such estimate is subject to revision upon receipt of the 2011 tax reporting information from the individual partnerships. For corporations, capital losses can only be used to offset capital gains and cannot be used to offset ordinary income. As of November 30, 2011, an alternative minimum tax credit of \$203,109 was available, which may be credited in the future against regular income tax. This credit may be carried forward indefinitely.

The aggregate cost of securities for federal income tax purposes and securities with unrealized appreciation and depreciation, were as follows:

	November 30, 2011	November 30, 2010
Aggregate cost for federal income tax purposes	\$ <u>68,264,534</u>	\$ <u>68,894,462</u>
Gross unrealized appreciation	8,307,122	32,072,976
Gross unrealized depreciation	(4,883,958)	(5,765,015)
Net unrealized appreciation	\$ <u>3,423,164</u>	\$ <u>26,307,961</u>

6. Fair Value of Financial Instruments

Various inputs are used in determining the fair value of the Company's assets and liabilities. These inputs are summarized in the three broad levels listed below:

- Level 1 — quoted prices in active markets for identical investments
- Level 2 — other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)
- Level 3 — significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

Valuation Techniques

In general, and where applicable, the Company uses readily available market quotations based upon the last updated sales price from the principal market to determine fair value. This pricing methodology applies to the Company's Level 1 trading securities.

The Company's other equity securities are classified as Level 3. See discussion of the valuation technique and assumptions in Note 2.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following tables provide the fair value measurements of applicable Company assets and liabilities by level within the fair value hierarchy as of November 30, 2011 and November 30, 2010. These assets and liabilities are measured on a recurring basis.

November 30, 2011

Description	Fair Value at			
	November 30, 2011	Level 1	Level 2	Level 3
Assets:				
Trading Securities	\$ 27,037,642	\$ 27,037,642	\$ —	\$ —
Other Equity Securities	41,856,730	—	—	41,856,730
Total Assets	\$ 68,894,372	\$ 27,037,642	\$ —	\$ 41,856,730

November 30, 2010

Description	Fair Value at			
	November 30, 2010	Level 1	Level 2	Level 3
Assets:				
Trading Securities	\$ 20,806,821	\$ 20,806,821	\$ —	\$ —
Other Equity Securities	72,929,409	—	—	72,929,409
Total Assets	\$ 93,736,230	\$ 20,806,821	\$ —	\$ 72,929,409

The changes for all Level 3 assets measured at fair value on a recurring basis using significant unobservable inputs for the years ended November 30, 2011 and November 30, 2010, are as follows:

	Year ended	
	November 30, 2011	November 30, 2010
Fair value beginning balance	\$ 72,929,409	\$ 77,146,520
Total realized and unrealized gains included in net income	1,026,134	10,473,595
Purchases	20,987,605	750,000
Sales	(42,275,886)	(12,494,034)
Return of capital adjustments impacting cost basis of securities	(1,518,285)	(2,946,672)
Transfers out	(9,292,247)	—
Fair value ending balance	\$ 41,856,730	\$ 72,929,409

The amount of total gains (losses) for the period included in net income attributable to the change in unrealized gains (losses) relating to assets still held at the reporting date

\$ (3,287,478) \$ 13,909,657

The Company utilizes the beginning of reporting period method for determining transfers between levels. For the year ended November 30, 2011, there were transfers out of Level 3 assets in the amount of \$9,292,247, which represents the values of the Company's equity interest in Mowood and subordinated debt issued to Mowood at the beginning of the year that were eliminated upon consolidation. There were no transfers between Level 1 and Level 2 for the years ended November 30, 2011 and November 30, 2010, respectively.

Certain condensed financial information of the unconsolidated affiliates follows. The information is the most recently available financial information for these companies, which is the last twelve months ended September 30, 2011 for High Sierra Energy, LP and VantaCore Partners, LP, and the last twelve months ended October 31, 2011 for Lightfoot Capital Partners LP.

Revenues	\$ 2,867,168,000	Current Assets	\$ 440,956,000
Operating Expenses	\$ 151,493,000	Noncurrent Assets	\$ 486,214,000
Net Income	\$ 15,308,334	Current Liabilities	\$ 338,406,000
		Noncurrent Liabilities	\$ 189,768,000
		Partners' Equity	\$ 398,996,000

7. Acquisition of Eastern Interconnect Project

On June 30, 2011, the Company purchased 100 percent ownership of a 40 percent undivided interest in the Eastern Interconnect Project ("EIP") for approximately \$15.6 million, including the assumption of \$3.4 million of debt. The acquisition of the EIP was accounted for as a business combination, in accordance with ASC 805. The Company incurred costs of approximately \$0.6 million in connection with the acquisition which were expensed during the year ended November 30, 2011. The transaction resulted in the acquisition of assets and liabilities as follows:

Physical assets	\$ 14,126,849
Lease receivable	711,229
Intangible lease asset	1,094,771
Debt	(3,409,000)
Fair value premium on debt	(186,493)
Interest payable	(87,356)
Net cash consideration paid	\$ 12,250,000

Physical Assets:

The EIP transmission assets move electricity across New Mexico between Albuquerque and Clovis. The physical assets include 216 miles of 345 kilovolts transmission lines, towers, easement rights, converters and other grid support components. The assets are depreciated for book purposes over an estimated useful life of 20 years. The amount of depreciation of leased property reflected during the year ended November 30, 2011 was \$294,309.

Lease:

The project is leased on a triple net basis through April 1, 2015 to Public Service Company of New Mexico, an independent electric utility company serving approximately 500,000 customers in New Mexico. Public Service Company of New Mexico is a subsidiary of PNM Resources (NYSE: PNM). At the time of expiration of the lease, the Company may choose to renew the lease with the lessee, the lessee may offer to repurchase the EIP, or the lease can be allowed to expire and the Company will find another lessee. Under the terms of the lease, the Company will receive semi-annual lease payments. At the time of acquisition, the rate of the lease was determined to be above market rates for similar leased assets and the Company recorded an intangible asset of \$1,094,771 for this premium which is being amortized as contra-lease income over the remaining lease term.

Debt

The Company assumed a note with an outstanding principal balance of \$3.4 million. The debt is collateralized by the EIP transmission assets. The note matures on October 1, 2012 and accrues interest at an annual rate of 10.25 percent, with principal and interest payments due on a semi-annual basis. At the time of acquisition, the interest rate on the assumed debt was determined to be above market rates for similar debt and the Company recorded an intangible of \$186,493 for this premium which is being amortized as a contra-interest expense over the remaining debt term.

8. Property and Equipment

Property and equipment consists of the following:

	November 30, 2011
Natural gas pipeline	\$ 5,215,424
Vehicles	98,717
Computers	12,150
	5,326,291
Less accumulated depreciation	(1,483,616)
	\$ 3,842,675

The amount of depreciation of property and equipment recognized for the period from September 21, 2011 through November 30, 2011 was \$69,945.

9. Leases

The Company's investment in EIP is leased under net operating leases with various terms to Public Service Company of New Mexico ("PNM"). PNM is referred to as the "Major Tenant".

The future contracted minimum rental receipts for all net leases as of November 30, 2011 are as follows:

Year Ending November 30,	Amount
2012	\$ 2,844,914
2013	2,844,914
2014	2,844,914
2015	1,422,457
Thereafter	—
Total	\$ 9,957,199

In view of the fact that the Major Tenant leases a substantial portion of the Company's net leased property which is a significant source of revenues and operating income, its financial condition and ability and willingness to satisfy its obligations under its lease with the Company, have a considerable impact on the results of operation and the Company's ability to service its indebtedness.

The Major Tenant is currently subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and is required to file with the SEC annual reports containing audited financial statements and quarterly reports containing unaudited financial statements. The audited financial statements and unaudited financial statements of the Major Tenant can be found on the SEC's website at www.sec.gov. The Company makes no representation as to the accuracy or completeness of the audited and unaudited financial statements of the Major Tenant but has no reason not to believe the accuracy or completeness of such information. In addition, the Major Tenant has no duty, contractual or otherwise, to advise the Company of any events that might have occurred subsequent to the date of such financial statements which could affect the significance or accuracy of such information. None of the information in the public reports of the Major Tenant that are filed with the SEC is incorporated by reference into, or in any way form part of this filing.

On December 31, 2009, Mowood sold one of its wholly owned subsidiaries to an unrelated third party. As part of that agreement, Mowood assumed a lease obligation, including insurance and other maintenance costs, for office space to be used by the sold subsidiary through April 2013. The fair value of the future minimum lease payments and estimated costs were recorded as a liability upon the sale of the subsidiary.

Years Ending November 30,	Lease Obligation	Interest Portion	Estimated Expenses	Total Obligation
2012	\$ 80,453	\$ (2,948)	\$ 2,403	\$ 79,908
2013	27,079	(238)	801	27,642
	\$ 107,532	\$ (3,186)	\$ 3,204	\$ 107,550

10. Intangibles

The Company has recorded an intangible lease asset for the fair value of the amount by which the remaining contractual lease payments exceed market lease rates at the time of acquisition. The intangible lease asset is being amortized on a straight-line basis over the life of the lease term, which expires on April 1, 2015. Amortization of the intangible lease asset is reflected in the accompanying Consolidated Statements of Income as a reduction to lease income.

<i>Intangible lease asset</i>	
Balance at June 30, 2011	\$ 1,094,771
Less accumulated depreciation	(121,641)
Balance at November 30, 2011	\$ 973,130

Estimated amortization expense for the five years succeeding November 30, 2011 are as follows:

Year Ending November 30,	Amount
2012	\$ 291,939
2013	291,939
2014	291,939
2015	97,313
2016	—
Total	\$ 973,130

11. Credit Facilities

On November 30, 2011, the Company entered into a 180-day rolling evergreen margin loan facility with Bank of America, N.A. The terms of the agreement provide for a \$10,000,000 facility that is secured by certain of the Company's assets. Outstanding balances generally will accrue interest at a variable rate equal to one-month LIBOR plus 0.75 percent and unused portions of the facility will accrue a fee equal to an annual rate of 0.25 percent. The Company did not have any borrowings outstanding as of November 30, 2011. As of November 30, 2011, the Company had segregated trading securities with an aggregate value of \$1,245,350 to serve as collateral for potential borrowings under the loan facility.

On October 29, 2011, Mowood entered into a revolving note payable with a financial institution with a maximum borrowing base of \$1,250,000. Borrowings on the note are secured by all of Mowood's assets. Interest accrues at LIBOR, plus a 400 percent margin (4.25 percent at November 30, 2011), is payable monthly, with all outstanding principal and accrued interest payable on October 29, 2012. There are no outstanding borrowings under this agreement at November 30, 2011. The agreement contains various restrictive covenants, with the most significant relating to minimum consolidated fixed charge ratio, the incidence of additional indebtedness, member distributions, extension of guaranties, future investments in other subsidiaries and change in ownership.

12. Warrants

At November 30, 2011 and November 30, 2010, the Company had 945,594 warrants issued and outstanding. The warrants were issued to stockholders that invested in the Company's initial private placements and became exercisable on February 7, 2007 (the closing date of the Company's initial public offering of common shares), subject to a lock-up period with respect to the underlying common shares. Each warrant entitled the holder to purchase one common share at the exercise price of \$15.00 per common share. Warrants were issued as separate instruments from the common shares and are permitted to be transferred independently from the common shares. The warrants have no voting rights and the common shares underlying the unexercised warrants have no voting rights until such common shares are received upon exercise of the warrants.

On April 8, 2011, a proposal was approved by the Company's stockholders which allowed the Company to amend the exercise price of its outstanding warrants from \$15.00 per common share to an amount equal to the greater of the market price of the Company's common shares on the New York Stock Exchange or NAV, each as determined at the end of the fiscal quarter immediately following approval of the proposal, plus 7.0 percent, and to extend the expiration date of such warrants by one year. Based on these guidelines, the exercise price of the warrants was changed to \$11.41 per common share as of May 31, 2011. All warrants expire on February 6, 2014. This modification was not material to the financial statements.

13. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	For the year ended November 30, 2011	For the year ended November 30, 2010	For the year ended November 30, 2009
Net income	\$ 2,922,143	\$ 14,666,874	\$ 10,994
Basic and diluted weighted average shares ⁽¹⁾	9,159,809	9,107,070	8,997,145
Basic and diluted earnings per share	\$ 0.32	\$ 1.61	\$ 0.00

⁽¹⁾ Warrants to purchase shares of common stock were outstanding during the periods reflected in the table above, but were not included in the computation of diluted earnings per share because the warrants' exercise price was greater than the average market value of the common shares and, therefore, the effect would be anti-dilutive.

14. Quarterly Financial Data (Unaudited)

Summarized unaudited quarterly financial data:

	For the Fiscal Quarter Ended			
	February 28, 2011	May 31, 2011	August 31, 2011	November 30, 2011 ⁽¹⁾
Sales revenue	\$ —	\$ —	\$ —	\$ 2,161,723
Lease income	—	—	425,496	638,244
Total revenue	—	—	425,496	2,799,967
Cost of sales	—	—	—	1,689,374
Management fees, net of expense reimbursements	234,680	241,193	248,367	243,923
All other expenses	153,843	157,012	958,468	769,024
Total expenses	388,523	398,205	1,206,835	2,702,321
Income (loss) from operations	(388,523)	(398,205)	(781,339)	97,646
Realized and unrealized gain (loss) on securities transactions, before income taxes	677,745	4,441,071	2,043,019	(2,578,087)
Distributions and dividend income, net	561,786	253,396	(189,001)	25,492
Other income	—	40,000	—	—
Total other income (loss)	1,239,531	4,734,467	1,854,018	(2,552,595)
Income (loss) before income taxes	851,008	4,336,262	1,072,679	(2,454,949)
Current and deferred tax benefit (expense), net	262,262	(1,553,250)	(482,040)	890,171
Net income (loss)	\$ 1,113,270	\$ 2,783,012	\$ 590,639	\$ (1,564,778)
Basic and diluted earnings per share	\$ 0.12	\$ 0.30	\$ 0.07	\$ (0.17)

(1) Results of operations for the fiscal quarter ended November 30, 2011 reflect the consolidation of the Company's wholly owned subsidiary, Mowood, LLC, effective September 21, 2011.

	For the Fiscal Quarter Ended			
	February 28, 2010	May 31, 2010	August 31, 2010	November 30, 2010
Total revenue	\$ —	\$ —	\$ —	\$ —
Management fees, net of expense reimbursements	258,268	258,087	191,174	218,291
All other expenses	220,187	255,058	370,734	126,577
Total expenses	478,455	513,145	561,908	344,868
Income (loss) from operations	(478,455)	(513,145)	(561,908)	(344,868)
Realized and unrealized gain (loss) on securities transactions, before income taxes	4,529,473	(6,711,026)	11,649,852	9,977,772
Distributions and dividend income, net	681,764	380,495	14,865	776,123
Other income	10,392	8,688	8,000	11,500
Total other income (loss)	5,221,629	(6,321,843)	11,672,717	10,765,395
Income (loss) before income taxes	4,743,174	(6,834,988)	11,110,809	10,420,527
Current and deferred tax benefit (expense), net	(725,651)	(445,382)	(567,618)	(3,033,997)
Net income (loss)	\$ 4,017,523	\$ (7,280,370)	\$ 10,543,191	\$ 7,386,530
Basic and diluted earnings per share	\$ 0.44	\$ (0.80)	\$ 1.16	\$ 0.81

15. High Sierra Energy, LP Financial Information

The following tables present the financial information for High Sierra Energy, LP, an investment in which the Company owns a 7.1 percent equity interest which is reported at fair value as further described in Note 2. This information has been included due to the fact that our investment in and the financial results of High Sierra Energy, LP are significant to us, we own less than 50 percent of High Sierra Energy, LP and in the absence of a fair value election, which we have made as described in Note 2, we would account for our investment under the equity method.

High Sierra Energy, LP and Subsidiaries Consolidated Balance Sheet

	As of December 31, 2011
	(in thousands, except unit amounts)
Assets	
Current Assets	
Cash and cash equivalents	\$ 20,179
Trade accounts receivable, net	267,293
Inventory, net	94,971
Fair value of derivative instruments	4,481
Prepays and other current assets	15,759
Assets of operations held of sale	8,667
Total current assets	411,350
Property, plant and equipment, net	118,445
Goodwill	111,314
Other intangibles, net	29,806
Other long-term assets	9,352
Total non-current assets	268,917
Total assets	680,267
Liabilities and equity	
Current liabilities	
Current portion of debt	11,315
Accounts payable	
Trade	304,254
Affiliates	758
Accrued liabilities and other	25,795
Fair value of derivative instruments	1,451
Liabilities of operations held for sale	375
Total current liabilities	343,948
Long-term debt, net of current portion	104,088
Other long-term liabilities	4,726
Total non-current liabilities	108,814
Total liabilities	452,762
Equity	
Partners' capital	
General partner	4,966
Limited partners	
Common unit holders (14,661,368 units outstanding at December 31, 2011)	221,036
Subordinated and restricted unit holders (96,142 units outstanding at December 31, 2011)	876
Accumulated other comprehensive income	20
Total High Sierra Energy, LP partners' capital	226,898
Noncontrolling interests	607
Total equity	227,505
Total liabilities and equity	\$ 680,267

High Sierra Energy, LP and Subsidiaries
Consolidated Statement of Operations

	Year ended December 31,
	2011
	(in thousands)
Revenues	
Product, transportation fees and other	\$ 2,981,821
Unrealized gains on commodity derivative instruments	4,917
Total revenues	2,986,738
Operating costs and expenses	
Product and transportation expenses	2,856,010
Operating expenses	48,976
General and administrative expenses	22,114
Gain on sale of assets	(436)
Depreciation and amortization expense	21,066
Total operating costs and expenses	2,947,730
Operating income	39,008
Other income (expense)	
Interest income	26
Interest expense	(10,043)
Other income, net	3,310
Income from continuing operations before income taxes	32,301
Income tax expense (benefit)	(903)
Income from continuing operations	33,204
Discontinued operations	
Loss from discontinued operations, net	(3,133)
Loss on disposal of discontinued operations, net	(6,350)
Loss from discontinued operations, net	(9,483)
Net income	23,721
Net income attributable to noncontrolling interests	(2,179)
Net income attributable to High Sierra Energy, LP partners	\$ 21,542
Amounts Attributable to High Sierra Energy, LP partners	
Income from continuing operations	30,839
(Loss) from discontinued operations	(9,297)
Net income attributable to High Sierra Energy, LP partners	\$ 21,542

High Sierra Energy, LP and Subsidiaries
Consolidated Statement of Equity
Year ended December 31, 2011
(in thousands, except unit amounts)

	Common Units			Subordinated and restricted Units	Subordinated and restricted Amount	Accumulated other comprehensive income	Noncontrolling Interest	Total
	Limited Partners		General Partner					
	Units	Amount						
Balance December 31, 2010	14,308,924	\$ 222,105	\$ 4,669	106,642	\$ 845	\$ 20	\$ 28,067	\$ 255,706
Contributions	385,000	10,010	—	—	—	—	—	10,010
Distributions	—	(6,589)	(134)	—	—	—	(2,829)	(9,552)
Noncontrolling interests acquired ¹	—	(24,245)	—	—	—	—	(11,701)	(35,946)
Noncontrolling interests sold ²	—	—	—	—	—	—	(15,109)	(15,109)
Fair value of units reacquired in settlement	(76,389)	(1,986)	—	—	—	—	—	(1,986)
Vesting of subordinated and restricted units	43,833	630	—	(43,833)	(630)	—	—	—
Unit based awards, net	—	—	—	33,333	661	—	—	661
Comprehensive income								
Net income	—	21,111	431	—	—	—	2,179	23,721
Total comprehensive income								23,721
Balance at December 31, 2011	14,661,368	\$ 221,036	\$ 4,966	96,142	\$ 876	\$ 20	\$ 607	\$ 227,505

¹ Noncontrolling interests in Anticline and Petro Source Products acquired.

² Noncontrolling interests in Asgard and Monroe sold in 2011.

High Sierra Energy, LP and Subsidiaries
Consolidated Statement of Cash Flow

Year ended December 31,
2011

(in thousands)

Cash flow from operating activities		
Net income		\$ 23,721
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion		21,385
Bad debt expense		1,152
Unit-based compensation		661
Change in fair value of derivative instruments, net		(4,373)
Gain on units reacquired in settlement		(1,986)
Loss on disposals of discontinued operations		6,350
Gain on sale of assets		(436)
Changes in assets and liabilities:		
Accounts receivable		(49,836)
Inventory		(36,039)
Prepays and other assets		13,521
Accounts payable, accrued liabilities and other		88,675
Net cash provided by operating activities		<u>62,795</u>
Cash flows from investing activities		
Cash paid for acquisition of a business and noncontrolling interests		(123,885)
Increase in restricted cash		(2,961)
Proceeds from disposals of discontinued operations		35,758
Proceeds from sale of assets		1,119
Purchases of property, plant and equipment		(33,070)
Net cash used in investing activities		<u>(123,039)</u>
Cash flows from financing activities		
Borrowings on lines of credit		61,184
Repayments on lines of credit		(104,213)
Payments of principal on notes payable		(1,030)
Borrowings on short-term notes and line of credit		4,915
Repayments on short-term notes and line of credit		(13,289)
Borrowings of long-term debt		145,079
Payments on long-term debt		(31,612)
Decrease in cash restricted for debt service		6,793
Refund to collateralize letters of credit, net		3,215
Deferred financing fees for credit facilities		(11,022)
Distributions to non-controlling interest holders		(2,829)
Payments to affiliate		(138)
Distributions to partners		(6,723)
Contributions from partners		10,010
Net cash provided by financing activities		<u>60,340</u>
Net increase in cash and cash equivalents		96
Cash and cash equivalents, beginning of year		20,097
Cash and cash equivalents, end of year (including \$14 cash and cash equivalents of subsidiaries held for sale)		<u>\$ 20,193</u>
Supplemental disclosure of cash and non-cash activities		
Cash paid for interest, net of amount capitalized		\$ 9,234

16. Subsequent Events

On December 1, 2011, the Company terminated its Investment Advisory Agreement with the Adviser and executed a Management Agreement with Corridor InfraTrust Management, LLC (“Corridor”). The terms of the new Management Agreement include a quarterly management fee equal to 0.25 percent (1.00 percent annualized) of the value of the Company’s average monthly managed assets for such quarter. Managed assets means all of the securities of the Company and all of the real property assets of the Company (including any securities or real property assets purchased with or attributable to any borrowed funds) minus all of the accrued liabilities other than (1) deferred taxes and (2) debt entered into for the purpose of leverage. The Management Agreement also includes a quarterly incentive fee of 10 percent of the increase in distributions paid over a threshold distribution equal to \$0.125 per share per quarter. The Management Agreement also requires at least half of any incentive fees to be reinvested in the Company’s common stock. In addition, the Company entered into a new Advisory Agreement by and among the Company, Tortoise Capital Advisors, L.L.C. and Corridor under which Tortoise Capital Advisors, L.L.C. will provide certain securities focused investment services necessary to evaluate, monitor and liquidate the Company’s remaining securities portfolio and also provide the Company with certain operational (i.e. non-investment) services. Corridor will compensate Tortoise Capital Advisors, L.L.C. for such services provided to the Company.

On January 25, 2012, the Company filed an amended shelf registration statement with the Securities and Exchange Commission for the purposes of raising additional capital.

On February 6, 2012, the Company declared a \$0.11 per share distribution to be paid on March 1, 2012 to stockholders of record on February 22, 2012.

The Company performed an evaluation of subsequent events through the date the financial statements were issued and determined that no additional items require recognition or disclosure.

Amendment No. 1 to the Annual Report on Form 10-K (“Amendment No. 1”) of Tortoise Capital Resources Corporation (the “Company,” “we” or “us”) amended the Company’s Annual Report on Form 10-K for the fiscal year ended November 30, 2011 that was originally filed with the Securities and Exchange Commission (the “Commission”) on February 13, 2012 (the “Original 10-K”). Amendment No. 1 was filed solely to (i) appropriately classify Deferred Tax Benefit of \$557,017, \$708,217 and \$313,024 for the years ended November 30, 2011, 2010 and 2009, respectively, and move such amounts from Loss from Operations and into Deferred Tax Expense on the Consolidated Statements of Income in accordance with Rule 5-03 of Regulation S-X, (ii) to revise the subtotal for Net Cash Provided by Operating Activities for the Year Ended November 30, 2011 within the Consolidated Statements of Cash Flows of \$1,576,222 to reflect the sum of the components of that subsection of the statement of \$2,762,446, (iii) to revise certain condensed financial information of the Company’s unconsolidated affiliates included in Footnote 6 to the financial statements to describe the dates for which financial information of unconsolidated affiliates is available and to add detail of operating expenses, net income, current and noncurrent assets and current and noncurrent liabilities to comply with to the requirements of Rule 4-08(g) of Regulation S-X, and (iv) to revise the Company’s outlook with respect to obtaining real estate investment trust (“REIT”) status. These changes did not impact net income or earnings per share amounts.

This Amendment No. 2 to the Annual Report on Form 10-K (“Amendment No. 2”) amends the Company’s Annual Report on Form 10-K for the fiscal year ended November 30, 2011 that was originally filed with the Commission on February 13, 2012 and amended on May 1, 2012. This Amendment No. 2 is being filed solely to include Note 15 to the Company’s consolidated financial statements certain financial statements of a portfolio company and to include the information in the paragraph below.

On May 21, 2012, NGL Energy Partners, LP and certain of its affiliates (collectively, “NGL”) announced that they have entered into merger agreements with High Sierra Energy, LP and High Sierra Energy GP, LLC (collectively, “High Sierra”) pursuant to which NGL, a New York Stock Exchange listed company, will acquire High Sierra and pay to the limited partners of High Sierra a combination of cash and units in NGL. As a result of this transaction, expected to close in early June 2012, the Company expects to receive approximately \$9.2 million in cash and an estimated 1.2 million units of NGL. The actual number of NGL units to be received by the Company is subject to adjustment based on the outstanding net debt of High Sierra when the transaction closes. Based on the May 21, 2012 closing price for NGL units of \$23.15, the total consideration the Company expects to receive at closing of the transaction is approximately \$37.0 million. The fair value that the Company attributed to its interests in High Sierra as of its last five fiscal quarters ending February 29, 2012 and November 30, August 31, and May 30, and February 28, 2011 was \$29.1, \$25.5, \$27.8, \$25.1, and \$20.6 million, respectively. The NGL units to be received by the Company will not be freely transferable in the public markets for at least six months following the closing. NGL has announced that NGL management intends to recommend to the NGL Board an increase in the annual distribution on its units to \$1.65. Distributions by NGL at that rate are expected to generate an anticipated \$495,000 per quarter for the Company, starting with the distribution for the quarter ending September 30, 2012 and continuing during the period that all of the NGL units are held by the Company. The Company expects to receive one third of that distribution for the quarter ending June 30, 2012 (assuming the transaction closes in June). The closing of the announced transaction is subject to various conditions.

ADDITIONAL INFORMATION (Unaudited)

Officers and Directors as of December 1, 2011

Name	TTO Position
Conrad S. Ciccotello	Director
John R. Graham	Director
Charles E. Heath	Director
Richard C. Green	Director and Chairman of the Board
David J. Schulte	Director and Chief Executive Officer
Terry C. Matlack	Chief Financial Officer
Edward Russell	President
David Haley	Senior Vice President
Rebecca M. Sandring	Treasurer
P. Bradley Adams	Assistant Treasurer
Connie J. Savage	Secretary
Diane M. Bono	Assistant Secretary

Director and Officer Compensation

The Company does not compensate any of its directors who are “interested persons” (as defined in Section 2 (a) (19) of the 1940 Act) or any of its officers. For the year ended November 30, 2011, the aggregate compensation paid by the Company to the independent directors was \$69,000. The Company did not pay any special compensation to any of its directors or officers.

Forward-Looking Statements

This report contains “forward-looking statements.” By their nature, all forward-looking statements involve risk and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements.

Certifications

The Company’s Chief Executive Officer submitted to the New York Stock Exchange the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

The Company has filed with the SEC the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

Proxy Voting Policies

A description of the policies and procedures that the Company uses to determine how to vote proxies relating to portfolio securities owned by the Company is available to stockholders (i) without charge, upon request by calling the Company at (913) 981-1020 or toll-free at (866) 362-9331 and on the Company’s Web site at www.tortoiseadvisors.com/to.cfm; and (ii) on the SEC’s Web site at www.sec.gov.

Privacy Policy

The Company is committed to maintaining the privacy of its stockholders and safeguarding their non-public personal information. The following information is provided to help you understand what personal information the Company collects, how the Company protects that information and why, in certain cases, the Company may share information with select other parties.

Generally, the Company does not receive any non-public personal information relating to its stockholders, although certain non-public personal information of its stockholders may become available to the Company. The Company does not disclose any non-public personal information about its stockholders or a former stockholder to anyone, except as required by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent).

The Company restricts access to non-public personal information about its stockholders to employees of its Adviser with a legitimate business need for the information. The Company maintains physical, electronic and procedural safeguards designed to protect the non-public personal information of its stockholders.

Automatic Dividend Reinvestment Plan

If a stockholder’s shares of common stock (“common shares”) of the Company are registered directly with the Company or with a brokerage firm that participates in the Automatic Dividend Reinvestment Plan (the “Plan”) through the facilities of the Depository Trust Company and such stockholder’s account is coded dividend reinvestment by such brokerage firm, all distributions are automatically reinvested for stockholders by the Plan Agent, Computershare Trust Company, Inc. (the “Agent”) in additional common shares (unless a stockholder is ineligible or elects otherwise).

The Company will use primarily newly-issued shares of the Company’s common stock to implement the Plan, whether its shares are trading at a premium or discount to net asset value (“NAV”). However, the Company reserves the right to instruct the Agent to purchase shares in the open market in connection with the Company’s obligations under the Plan. The number of

newly issued shares will be determined by dividing the total dollar amount of the distribution payable to the participant by the closing price per share of the Company's common stock on the distribution payment date, or the average of the reported bid and asked prices if no sale is reported for that day. If distributions are reinvested in shares purchased on the open market, then the number of shares received by a stockholder shall be determined by dividing the total dollar amount of the distribution payable to such stockholder by the weighted average price per share (including brokerage commissions and other related costs) for all shares purchased by the Agent on the open-market in connection with such distribution. Such open-market purchases will be made by the Agent as soon as practicable, but in no event more than 30 days after the distribution payment date.

There will be no brokerage charges with respect to shares issued directly by us as a result of distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of distributions. If a participant elects to have the Plan Agent sell part or all of his or her common shares and remit the proceeds, such participant will be charged his or her pro rata share of brokerage commissions on the shares sold plus a \$15.00 transaction fee. The automatic reinvestment of distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such distributions.

Participation in the Plan is completely voluntary and may be terminated at any time without penalty by giving notice in writing to the Agent at the address set forth below, or by contacting the Agent as set forth below; such termination will be effective with respect to a particular distribution if notice is received prior to the record date for such distribution.

Additional information about the Plan may be obtained by writing to Computershare Trust Company, N.A., P.O. Box 43078, Providence, Rhode Island 02940-3078, by contacting them by phone at (800) 426-5523, or by visiting their Web site at www.computershare.com.



SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TORTOISE CAPITAL RESOURCES CORPORATION

(Registrant)

By: _____ /s/David J. Schulte

David J. Schulte

Director and Chief Executive Officer

June 1, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the company and in the capacities indicated on June 1, 2012.

Signature	Capacity
_____ /s/Terry C. Matlack	Chief Financial Officer (Principal Financial and Accounting Officer)
_____ /s/David J. Schulte	Director and Chief Executive Officer (Principal Executive Officer)
_____ /s/Conrad S. Ciccotello *	Director
_____ /s/John R. Graham *	Director
_____ /s/Charles E. Heath *	Director
_____ /s/Richard C. Green *	Director

* By David J. Schulte pursuant to Power of Attorney, filed with Registrant's Form 10-K on February 13, 2012.

CERTIFICATIONS

I, David J. Schulte, certify that:

1. I have reviewed this Annual Report on Form 10-K/A for the fiscal year ended November 30, 2011 of Tortoise Capital Resources Corporation; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 1, 2012

By: /s/ David J. Schulte

David J. Schulte

Chief Executive Officer

CERTIFICATIONS

I, Terry Matlack, certify that:

1. I have reviewed this Annual Report on Form 10-K/A for the fiscal year ended November 30, 2011 of Tortoise Capital Resources Corporation; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 1, 2012

By: /s/ Terry Matlack

Terry Matlack

Chief Financial Officer
