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FORM 4

OMB Approval

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

[ ] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

WASHINGTON, D.C. 20549

OMB Number: 3235-0287

Expires: September 30, 1998

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Estimated average burden hours per response...0.5

Filed pursuant to Section 16(a) of the Securities and Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person\* | 2. Issuer Name and Ticker or Trading Symbol | 6. Relationship of Reporting Person  
to Issuer (Check all applicable)

Newman II Reginald B. | Rand Capital Corp - RAND |  Director  10% Owner  
 Officer (give title below)

(Last) (First) (Middle) | 3. IRS or Social Security Number | 4. Statement for |  Other (specify below)

2440 Sheridan Drive | of Reporting | 9/98 |  
-----  
Person (Voluntary) | 7. Individual or Joint/Group Filing

(Street) | 5. If Amendment, (Check Applicable Line)

| Date of Original |  Form filed by One Reporting Person  
(Month/Year) |  Form filed by More than One

Tonawanda NY 14150 | Reporting Person

(City) (State) (Zip) | Table I - Non Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired(A) or Disposed of (D) (Instr. 3, 4, and 5) | 5. Amount of Securities ship Form: Indirect or Direct (Instr. 3 and 4) | 6. Owner (Instr. 3) | 7. Nature of Month (D) or ficial (Instr. 4)

Title of Security (Instr. 3)	Transaction Date (Month/Day/Year)	Transaction Code (Instr. 8)	Securities Acquired(A) or Disposed of (D) (Instr. 3, 4, and 5)	Amount of Securities ship Form: Indirect or Direct (Instr. 3 and 4)	Owner (Instr. 3)	Nature of Month (D) or ficial (Instr. 4)
Common Stock	9/22/98	P	10,000	A .9375	621,250	D
Common Stock	9/25/98	P	10,000	A .9375	631,250	D

Reminder: Report on a separate line for each class of securities beneficially owned, directly or indirectly. (over)

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FORM 4 (CONTINUED) TABLE II - DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED (E.G., PUTS, CALLS, WARRANTS, OPTIONS, CONVERTIBLE SECURITIES)

1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Date | 3. Transaction Code | 4. Transaction Derivative Security | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4)

			4, and 5)	Exer-	ation	Title	Number of
				cisable	Date		Shares
		Code	V	(A)	(D)		

8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4)	10. Ownership Form of Derivative Security; Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)

Explanation of Responses:

/s/ Daniel P. Penherthy                                  10/7/98  
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 \*Signature of Reporting Person                                  Date

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations.  
 See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed.  
 If space provided is insufficient, see Instruction 6 for procedure.

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