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FORM 4

OMB Approval

U.S. 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 3253-0287

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 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

(Print or Type Responses)

1. Name and Address of Reporting Person | 2. Issuer Name and Ticker or Trading Symbol | 6. Relationship of Reporting Person(s) to

Reginald B. Newman II | | Issuer
Rand Capital Corp - RAND | (Check all applicable)
X Director X 10% Owner
____ Officer (give title below)
____ Other (specify below)
2440 Sheridan Drive | Person (Voluntary) | _____

(Street) | |
5. If Amendment, | 7. Individual or Joint/Group Filing
Date of Original | (Check Applicable Line)
(Month/Year) | X Form filed by One Reporting Person
Form filed by More than One Reporting Person
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 (Instr. 3 and 4) | 6. Owner Form: Indirect (D) or Direct (I) | 7. Nature of Ownership: Beneficially Owned at End of Month (D) or Officially Owned (I)
Code | V | or | (D) | (Instr. 3 and 4) | (Instr. 3 and 4) | (Instr. 4)

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 (Instr. 3 and 4)	6. Owner Form: Indirect (D) or Direct (I)	7. Nature of Ownership: Beneficially Owned at End of Month (D) or Officially Owned (I)
Common Stock	10/13/98	P	30,000 A	.8333	661,250	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 | 2. Conversion | 3. Transaction | 4. Transaction | 5. Number of | 6. Date Exer- | 7. Title and Amount

If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

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