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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 3235-0207

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
(Print or Type Responses)

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 | October 1999 |

(Street) | Person (Voluntary) | 7. Individual or Joint/Group Filing
5. If Amendment, (Check Applicable Line)

Tonawanda NY 14150 | | |
Date of Original Form filed by One Reporting Person
(Month/Year) Form filed by more than one
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 Beneficially Owned at End of Month (Instr. 3 and 4) | 6. Owner-ship Form: Direct (D) or Indirect (I) | 7. Nature of Ownership (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 Beneficially Owned at End of Month (Instr. 3 and 4) | Owner-ship Form: Direct (D) or Indirect (I) | Nature of Ownership (Instr. 4) |
|------------------------------|-----------------------------------|-----------------------------|---|--|---|--------------------------------|
| Common Stock | 10/7/99 | P | 4,000 A | \$0.969 824,679 | D | |
| Common Stock | 10/8/99 | P | 5,000 A | \$0.937 829,679 | D | |
| Common Stock | 10/8/99 | P | 1,000 A | \$0.969 830,679 | D | |
| Common Stock | 10/13/99 | P | 3,500 A | \$0.937 834,179 | D | |
| Common Stock | 10/19/99 | P | 2,000 A | \$0.937 836,179 | D | |
| Common Stock | 10/19/99 | P | 5,000 A | \$0.906 841,179 | D | |
| Common Stock | 10/21/99 | P | 3,000 A | \$0.937 844,179 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned, directly or indirectly. (over)
SEC 1474 (7-96)

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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 (Instr. 8) | 4. Transaction Derivative Acquired (A) or Disposed of (D) | 5. Number of Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4)

| Code | V | (A) | (D) | of (D) | | Date | Expir- | ation | Title | Amount or |
|------|---|-----|-----|----------------------|----------------------|------|--------|-------|-------|-----------|
| | | | | (Instr. 3, 4, and 5) | (Instr. 3, 4, and 5) | | | | | |
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| 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) |
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Explanation of Responses:

/s/ Daniel P. Penberthy 11-2-99

 *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. Page 2

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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