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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: 3235-0287

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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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

Penberthy Daniel P. | Rand Capital Corporation - RAND | Director 10% Owner
(Last) (First) (Middle) | to Issuer (Check all applicable) | Officer (give title below)

56 Lilybrooke Court | 3. IRS or Social Security Number | 4. Statement for | Other (specify below)
(Street) | of Reporting | August 2000 | TREASURER

E. Amherst NY 14051 | 5. If Amendment, Date of Original (Month/Year) | 7. Individual or Joint/Group Filing
(City) (State) (Zip) | (Check Applicable Line) | Form filed by One Reporting Person
Form filed by more than one Reporting Person

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 (D) or Indirectly Owned (Instr. 3 and 4) | 6. Owner-ship (Instr. 3 and 4) | 7. Nature of Ownership (Instr. 3 and 4)

Common Stock | 8/21/00 | P | 25,000 | A | \$1.51 | 45,000 | I | By Spouse

Reminder: Report on a separate line for each class of securities beneficially owned, directly or indirectly. (Over)
* If the form is filed by more than one reporting person, see instruction 4(b)(v) 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 Date | 4. Transaction Code | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3 and 4) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4)

Table with 11 columns: Security, Year, or Disposed, of (D), (Instr. 3, 4, and 5), Date, Exer- cisable, Date, Amount or Title, Number of Shares. Includes a grid of lines for data entry.

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) |

Grid of lines for data entry corresponding to sections 8, 9, 10, and 11.

Explanation of Responses:

/s/ Daniel P. Penberthy | 9-6-00
*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. SEC 1474 (7-96) 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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