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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

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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
Kailbourne Erland E.	Rand Capital Corp. - RAND	__X__ Director _____ 10% Owner
(Last) (First) (Middle)	3. IRS or Social Security Number	_____ Officer (give title below)
	4. Statement for Month/Year	_____ Other (specify below)
	5. If Amendment, Date of Original (Month/Year)	_____
3650 HSBC Center	###-##-####	7. Individual or Joint/Group Filing (Check Applicable Line)
		_X_ Form filed by One Reporting Person
Buffalo NY 14203		___ 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	6.Owner-ship Form: Direct (D) or Indirect (I) (Instr.4)	7.Nature of Indirect Bene-ficial Owner-ship (Instr.4)
		Code	V	Amount	(A) or (D)	Price				
Common Stock	9/22/99	P		1,000	A	1.00		1,000	I	By Spouse

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 Price of Derivative Security	3.Transaction Date (Month/Day/Year)	4.Transaction Code (Instr. 8)		5.Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6.Date Exer-cisable and Expiration Date (Month/Day/Year)		7.Title and Amount of Underlying Securities (Instr. 3 and 4)	
			Code	V	(A)	(D)	Date Exer-cisable	Expir-ation Date	Title	Amount or Number of

			Code	V	(A)	(D)	cisable	Date			Shares

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 Penberthy 10-4-99

*Signature of Reporting Person Date
Daniel Penberthy

** 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.

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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