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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

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Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

**RAND CAPITAL CORPORATION**

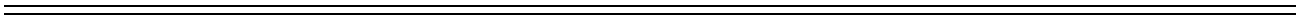
(Name of the Registrant as Specified in its Charter)

**User-Friendly Phone Book, LLC**

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:  
\_\_\_\_\_
  - (2) Aggregate number of securities to which transaction applies:  
\_\_\_\_\_
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):  
\_\_\_\_\_
  - (4) Proposed maximum aggregate value of transaction:  
\_\_\_\_\_
  - (5) Total fee paid:  
\_\_\_\_\_
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:  
\_\_\_\_\_
  - (2) Form, Schedule or Registration Statement No.:  
\_\_\_\_\_
  - (3) Filing Party:  
\_\_\_\_\_
  - (4) Date Filed:  
\_\_\_\_\_



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On May 15, 2019, User-Friendly Phone Book, LLC delivered an investor presentation which is filed as Exhibit 1 hereto and is incorporated herein by reference.

# RAND CAPITAL SHAREHOLDERS

Don't Give Up Control of Rand for an Inadequate Price  
Vote **AGAINST** the East Transaction

PROTECT YOUR INVESTMENT  
VOTE "NO" ON THE WHITE PROXY TODAY

May 15, 2019

**The  
User-Friendly  
Phone Book**

# SUMMARY

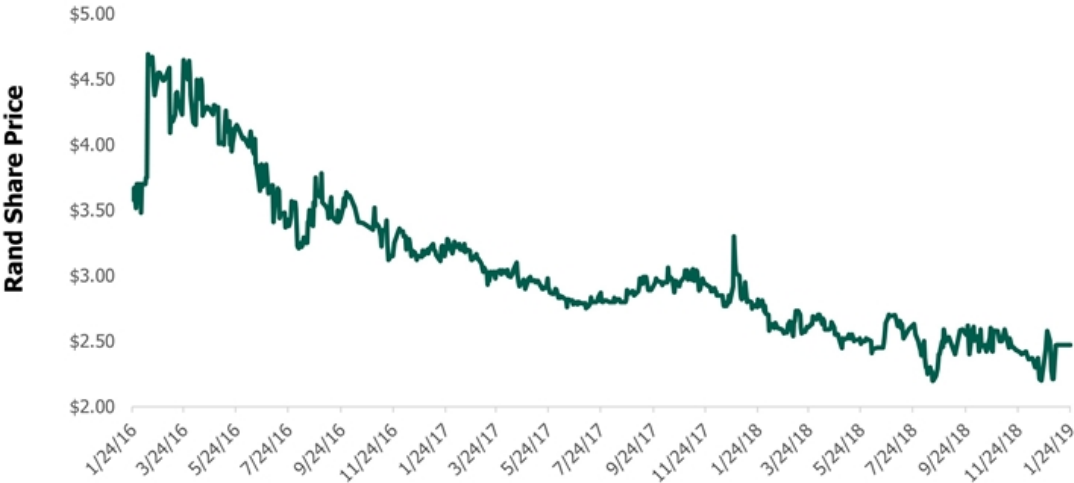
- **User-Friendly does not believe Rand shareholders are being adequately compensated for the sale of two important assets: Voting Control and Management Vehicle**
  - Control is being sold at a 41% discount to Net Asset Value (NAV)
  - Externalizing the manager may transfer away value to be built up by a separate manager vehicle to its new owners
- We believe seeking a higher offer or merely liquidating Rand's portfolio could result in a larger premium to shareholders
- Average 20+ year tenured board is entrenched in our view, and we believe this has caused the Board to lose independence and become out of touch with shareholders as it has presided over the loss of substantial shareholder value
- **Upon shareholders rejecting the flawed take-over by East Asset Management, User-Friendly intends to take actions to effect significant change in Rand's board of directors in order to maximize value for all shareholders**

 **VOTE AGAINST EAST**

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# HISTORY OF UNDERPERFORMANCE

- We believe East Asset Management’s offer exploits Rand’s poor performance under Rand’s current management
- After destroying substantial shareholder value, can management be trusted with the proposed transaction? We believe the answer is NO



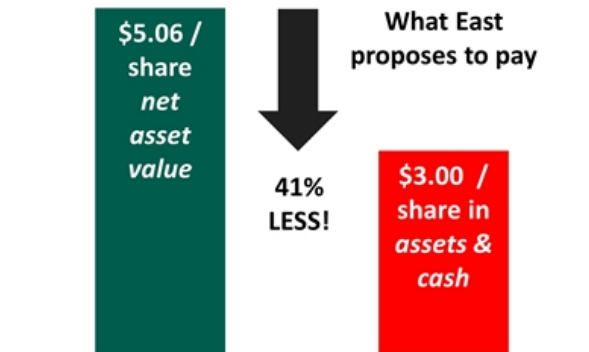
**X VOTE AGAINST EAST**

**The User-Friendly Phone Book**

# EAST DEAL IS INADEQUATE

- East's \$3.00 per share offer price represents a ~41% discount to the reported net asset value (NAV) of your shares, \$5.06 per share
- We believe Rand shareholders would receive a ~69% greater return if Rand realized the true value of its assets for their NAV of \$5.06 per share

The value of your investment in Rand



**X VOTE AGAINST EAST**

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# DIRECT NEGATIVE IMPACT ON SHAREHOLDERS

## TRANSFER OF VALUE

- We believe the East Transaction would transfer over \$7.8 million in wealth from current Rand shareholders directly to the owners of East Asset Management
- The East Transaction would transfer control of Rand to East Asset Management

## TAX CONSEQUENCES

- The distribution of the Special Dividend, to be paid mostly in stock, may be taxable to shareholders, if declared
- As a result, you may have to pay MORE in taxes out of YOUR pocket than the cash you receive in the dividend

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# QUESTIONABLE DECISIONS

## CONFLICTS OF INTEREST

- The Adviser's fee structure under the proposed Investment Management Agreement misaligns the interests of the Adviser and the Company's shareholders
- In short, we are concerned that the Adviser may be motivated to put its own compensation ahead of the interests of shareholders!

## CREDIBLE VALUATION?

- There is no credible support that the value of the assets to be contributed by East, which comprise 52.4% of the aggregate consideration to be received by Rand, has been accurately measured
- In short, YOUR portfolio could become less valuable

## TAX IMPLICATIONS?

- There is no assurance that Rand will declare the Special Dividend (or any cash dividends going forward)
- If it does declare a Special Dividend, you may be HIT WITH A TAX BILL greater than the cash you receive in the dividend

## EXPLORE ALTERNATIVES?

- Rand's Board of Directors has a fiduciary duty to pursue all alternatives to maximize shareholder value
- Based on our inquiries, we believe Rand's current management did NOT explore all alternatives to get the best price for shareholders

**X VOTE AGAINST EAST**

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# THERE IS A BETTER PATH: VOTE NO

- Rand shareholders **HAVE A CHOICE** and the opportunity to exercise that choice by voting against the East deal
- By voting against the transaction, Rand will be able to pursue a true strategic alternatives process that could lead to:
  1. A higher and fairer offer from East Asset Management;
  2. A higher and fairer offer from a third party; or
  3. An orderly sale of Rand's portfolio through the secondary market which we feel is very active for equity and debt investments
- Should Rand pursue an orderly sale of its portfolio, shareholders should demand that the salaries of Rand management be reduced by 50% and that the board should consider implementing incentive bonus structures equal to 2-3% of the value of the assets sold, if they are sold within 6 months, dropping to 1-2% if they are sold between 6-12 months

 VOTE AGAINST EAST

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# A PATH TO VALUE MAXIMIZATION

- User-Friendly has committed to **PUSH FOR POSITIVE CHANGE** at Rand on behalf of all shareholders, upon shareholders rejecting the flawed take-over by East Asset Management
- We intend to take actions to effect significant change in Rand's board of directors, including:
  - Proposing its own slate of directors
  - If necessary, demanding the Company call a special meeting of shareholders for the election of directors
- **With new, qualified and independent directors, Rand can perform a comprehensive review of all strategic options, leading to an outcome that yields substantially more value for Rand shareholders than the proposed transaction with East.** Alternatives include:
  - Soliciting a higher offer from East or another third-party
  - An orderly liquidation of assets at or above their net asset value, which User-Friendly believes is a strong possibility based on multiple recent sales by the Company of assets at or above their reported net asset value

**X VOTE AGAINST EAST**

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# EXAMPLES OF ASSET SALES

- The sale of portfolio assets has been historically at or above Net Asset Value, which is why we are so infuriated that Rand would choose to enter into a transaction that gives away control and upside value to East
- Accounting standards dictate conservative valuation techniques. The Rand portfolio has proven to deliver value above disclosure values multiple times, SO WHY ARE THEY TRANSFERING THIS UPSIDE TO EAST?
- For example:
  - BinOptics Corporation equity investment had a 3rd quarter 2014 fair value mark of \$3 million vs cost of \$1.8 million. In the 4th quarter of 2014 it was sold for \$10.1 million **FOR AN \$8.3 MILLION GAIN**. That means that asset was undervalued by \$7.1 million 90 days before it was sold
  - Gemcor, a 4<sup>th</sup> quarter 2015 exit, had its value increase substantially between 3Q and 4Q 2015, from \$9.3 million to \$13.8 million and was then **sold for cash proceeds of \$14 million!**
  - eHealth Global Technologies, Inc, a 1<sup>st</sup> quarter 2019 exit, generated a return in excess of the Dec. 31, 2018 fair value mark of \$225,000 **at a premium of 6.4%**

**The Rand portfolio has 27 positions. Are you prepared to give up value to East Asset management? You have a choice: VOTE NO!**

**X VOTE AGAINST EAST**

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# PROTECT YOUR INVESTMENT

If you have any questions, or require additional assistance to vote your shares, please contact:



Call Toll-Free: (800) 322-2885  
Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

**CERTAIN INFORMATION CONCERNING THE PARTICIPANT**

User-Friendly Phone Book, LLC ("User-Friendly") is the sole participant in this solicitation. User-Friendly has filed a definitive proxy statement with the Securities and Exchange Commission ("SEC") consisting of a proxy statement and accompanying WHITE proxy card to be used to solicit proxies to vote against the proposed transaction with East Asset Management, LLC at the Special Meeting of Stockholders of Rand Capital Corporation (the "Company") scheduled to be held on May 16, 2019.

**USER-FRIENDLY STRONGLY ADVISES ALL STOCKHOLDERS OF THE COMPANY TO READ THE PROXY STATEMENT AND OTHER PROXY MATERIALS AS THEY BECOME AVAILABLE BECAUSE THEY CONTAIN IMPORTANT INFORMATION. SUCH PROXY MATERIALS ARE AVAILABLE AT NO CHARGE ON THE SEC'S WEB SITE AT [HTTP://WWW.SEC.GOV](http://www.sec.gov). IN ADDITION, USER-FRIENDLY WILL PROVIDE COPIES OF THE PROXY STATEMENT WITHOUT CHARGE UPON REQUEST. REQUESTS FOR COPIES SHOULD BE DIRECTED TO USER-FRIENDLY'S PROXY SOLICITOR, MACKENZIE PARTNERS, INC., TOLL-FREE AT (800) 322-2885 or (212) 929-5500.**

As of the date hereof, User-Friendly owns 1,455,993 shares of common stock of the Company, representing approximately 23.0% of the issued and outstanding shares of the Company.

**About User-Friendly Phone Book**

Operating since 1999, User Friendly Media boasts a portfolio of print, digital and mobile marketing solutions for small business. The company's product suite includes 35 print directories, User Friendly Apps, a mobile app builder, User Friendly Mobile ads, a platform for serving locally-targeted mobile ad impressions and GoLocal247.com, one of the fastest growing local business directory websites in the country.

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