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

FORM 8-K

Current Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

December 20, 2006

Rand Capital Corporation

(Exact Name of registrant as specified in its charter)

New York
*(State or other jurisdiction
of incorporation)*

001-08205
(Commission File Number)

16-0961359
*(IRS Employer Identification
Number)*

**2200 Rand Building
Buffalo, New York 14203**
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (716) 853-0802

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01: Regulation FD Disclosure

In accordance with interim guidance of the Securities and Exchange Commission, this disclosure pursuant to Item 2.02 of Form 8-K is made under Item 7.01.

On December 22, 2006, Rand Capital Corporation issued a press release announcing the partial sale of securities of Innov-X Systems Inc.; the repayment of the debenture owed to Rand; in addition to Rand's re-investment into Innov-X. The text of the press release is included as an exhibit to this Form 8-K. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein and herein is deemed to be furnished and shall not be deemed to be filed.

Item 9.01: Financial Statements and Exhibits

- (a) Not Applicable
- (b) Not Applicable
- (c) Not Applicable
- (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated December 22, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 22, 2006

Rand Capital Corporation

By: /s/ Daniel P. Penberthy

Daniel P. Penberthy
Executive Vice President/Chief
Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release dated December 22, 2006

Rand Capital SBIC Participates in Equity Financing and Partial Sale of Innov-X Securities

BUFFALO, N.Y., Dec. 22 /PRNewswire-FirstCall/ -- Rand Capital SBIC (Nasdaq: RAND) (<http://www.randcapital.com>) announced that it participated in an equity financing of Woburn, Massachusetts based Innov-X Systems, Inc. Rand has sold approx. 23% of its security holdings in the Company for approx. \$2.4 million; of which \$1.6 million has been paid at closing; the remainder will be held in escrow subject to certain conditions. Concurrent with the financing Innov-X repaid their \$600,000 debenture, and Rand re-invested \$1 million into Innov-X as part of the financing round.

Information in this press release contains forward-looking statements and reflect the Corporation's current beliefs. Numerous factors could cause actual results to differ materially. See the Corporation's Securities and Exchange Commission filings for a discussion of risks and uncertainties associated with venture capital investing that could affect actual results. Rand Capital Corporation undertakes no obligation to revise these forward- looking statements for new events and uncertainties.

ABOUT RAND CAPITAL

Rand Capital is a publicly held Business Development Company (BDC) licensed by the Small Business Administration (SBA) as a Small Business Investment Company (SBIC). Rand is traded on the NASDAQ under the symbol "RAND". Rand is headquartered in Buffalo, NY. <http://www.randcapital.com>

SOURCE Rand Capital Corporation

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/Web site: <http://www.randcapital.com> /

(RAND)
