

**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): October 25, 2021 (October 20, 2021)

**Rand Capital Corporation**  
(Exact name of registrant as specified in its charter)

New York  
(State or Other Jurisdiction  
of Incorporation)

814-00235  
(Commission  
File Number)

16-0961359  
(IRS Employer  
Identification No.)

1405 Rand Building, Buffalo, New York  
(Address of Principal Executive Offices)

14203  
(Zip Code)

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

Not Applicable  
(Former name or former address, if changed since last report.)

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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

**Title of each class**  
Common Stock, \$0.10 par value

**Trading Symbol(s)**  
RAND

**Name of each exchange on which registered**  
Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(b) and (c) Rand Capital Corporation (the "Company") and Rand Capital SBIC, Inc. (the "SBIC"), a wholly owned subsidiary of the Company that is licensed as a small business investment company by the Small Business Administration, announced today that Allen F. "Pete" Grum, President, Chief Executive Officer and Chief Compliance Officer of the Company and the SBIC intends to retire effective December 1, 2021. Mr. Grum will remain on as a director of the Company, and has been appointed Vice Chair of the Board of Directors of the Company (the "Board"), effective December 1, 2021. Beginning December 1, 2021, with Mr. Grum's appointment as Vice Chair of the Board, Mr. Grum will receive compensation for his service on the Board that is consistent with the compensation paid to the Company's other directors. There was no disagreement between Mr. Grum and the Company on any matter relating to the Company's operations, policies or practices.

As a result of Mr. Grum's pending retirement, Daniel Penberthy, Executive Vice President, Treasurer, Chief Financial Officer and Secretary of the Company, has been appointed to serve as President and Chief Executive Officer of the Company and the SBIC, effective December 1, 2021. There are no arrangements or understandings between Mr. Penberthy and any other person pursuant to which he was selected as President and Chief Executive Officer of the Company. There are no family relationships between Mr. Penberthy and any director or executive officer of the Company, and there are no transactions involving Mr. Penberthy requiring disclosure under Item 404(a) of Regulation S-K.

Mr. Penberthy, age 58, has served as Treasurer and Chief Financial Officer of the Company since August 1997. Since January 2002, Mr. Penberthy has also served as Executive Vice President of the Company. In addition, Mr. Penberthy has served on the investment committee of Rand Capital Management, LLC ("RCM"), which is the external investment adviser for the Company and responsible for all aspects of the Company's investment process, and as the Executive Vice President and Chief Financial

Officer of RCM since November 2019. Effective December 1, 2021, Mr. Penberthy will also serve as President and Chief Executive Officer of RCM.

As a result of Mr. Penberthy's appointment to President and Chief Executive Officer, Margaret Brechtel, age 55, Vice President of Finance of the Company, has been appointed to serve as Executive Vice President, Treasurer, Chief Financial Officer and Secretary of the Company and Executive Vice President, Treasurer and Secretary of the SBIC, effective December 1, 2021. There are no arrangements or understandings between Ms. Brechtel and any other person pursuant to which she was selected as Executive Vice President, Treasurer, Chief Financial Officer and Secretary of the Company. There are no family relationships between Ms. Brechtel and any director or executive officer of the Company, and there are no transactions involving Ms. Brechtel requiring disclosure under Item 404(a) of Regulation S-K.

Ms. Brechtel has served as an officer of the Company since 2002, initially as Controller and subsequently as Vice President of Finance since January 2009. Ms. Brechtel has also served as Vice President of Finance of RCM since November 2019. Effective December 1, 2021, Ms. Brechtel will also serve as Executive Vice President and Chief Financial Officer of RCM. Ms. Brechtel earned her Bachelor of Science and her Master of Business Administration from the State University of New York at Buffalo and is a Certified Public Accountant in the State of New York.

In addition, Erland E. Kailbourne, Chairman of the Board, will be stepping down as Chairman, effective December 1, 2021, although he will remain on the Board. Robert M. Zak, a current member of the Board, will replace Mr. Kailbourne as Chairman of the Board effective December 1, 2021.

#### Item 9.01. Financial Statements and Exhibits

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#"><u>Press Release dated October 25, 2021</u></a>

#### 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.

Rand Capital Corporation

Date: October 25, 2021

By: /s/ Daniel Penberthy

Daniel Penberthy  
Executive Vice President, Chief Financial Officer, Treasurer and Secretary



# **NEWS RELEASE**

14 Lafayette Square, Suite 1405 • Buffalo, New York 14203

## **FOR IMMEDIATE RELEASE**

### **Rand Capital Corporation Announces Leadership Transition and Changes to the Board of Directors**

- *Allen F. “Pete” Grum to retire as President and CEO and become Vice Chair of Board of Directors*
- *Daniel P. Penberthy appointed President and CEO effective December 1, 2021*
- *Margaret Brechtel promoted to Executive Vice President and CFO*
- *Robert M. Zak appointed Chair of the Board*

BUFFALO, NY, October 25, 2021 – Rand Capital Corporation (Nasdaq: RAND) (“Rand” or the “Company”), a business development company, announced today that Allen F. “Pete” Grum, President and Chief Executive Officer of Rand, intends to retire effective December 1, 2021. Mr. Grum will remain as a member of the Board of Directors of the Company and has been appointed Vice Chair of the Board of Directors of the Company effective December 1, 2021. As a result of Mr. Grum’s pending retirement, the Board of Directors has appointed Daniel Penberthy, Executive Vice President, Treasurer, Chief Financial Officer and Secretary of the Company, to serve as President and Chief Executive Officer of the Company effective December 1, 2021. In addition, Margaret Brechtel, Vice President of Finance, will succeed Mr. Penberthy as Executive Vice President, Treasurer, Chief Financial Officer and Secretary of the Company, also effective December 1, 2021.

The Board also announced that Erland “Erkie” E. Kailbourne will step down as Chair of the Board of Directors, effective December 1, 2021, while remaining as a director. Robert M. Zak, who has served as a director since 2005 and is currently Vice Chair, will assume the role of Board Chair, effective December 1, 2021.

Mr. Kailbourne commented, “These are exciting times for Rand and indicative of the transformation we have been affecting over the last three years. I want to thank Pete for his 25 years of leadership having built Rand from a small, venture capital business with less than \$10 million in net assets, to a growing, dividend-paying business development company with approximately \$58 million in net assets. We also appreciate his willingness to continue to serve on the Board. We believe that the leadership and experience that Dan and Margaret bring will continue to advance Rand as it evolves its portfolio and focuses on expanding net investment income. We believe our strategy should drive total return to our shareholders.”

Mr. Zak said, “I am honored to succeed Erkie as Board Chair and pleased that he will continue to serve on the Board. Over the last three years as Chair, he has guided us through major transactions with an astute business acumen. We have seen significant change these last few years and I look forward to being a part of the Company’s continued growth.”

-MORE-

### **Rand Capital Corporation Announces Leadership Transition and Changes to the Board of Directors**

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#### **ABOUT RAND CAPITAL**

Rand Capital (Nasdaq: RAND) is an externally-managed business development company (BDC). The Company’s investment objective is to maximize total return to its shareholders with current income and capital appreciation by focusing its debt and related equity investments in privately-held, lower middle market companies with committed and experienced managements in a broad variety of industries. Rand invests in early to later stage businesses that have sustainable, differentiated and market-proven products, revenue of more than \$2 million and a path to free cash flow or up to \$5 million in EBITDA. The Company’s investment activities are managed by its external investment adviser, Rand Capital Management, LLC. Additional information can be found at the Company’s website where it regularly posts information: <https://www.randcapital.com/>.

#### **Safe Harbor Statement**

*This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than historical facts, including but not limited to statements regarding the strategy of the Company and its outlook, the effectiveness of changes in leadership and the Board; and any assumptions underlying any of the foregoing, are forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words “may,” “will,” “should,” “potential,” “intend,” “expect,” “endeavor,” “seek,” “anticipate,” “estimate,” “overestimate,” “underestimate,” “believe,” “could,” “project,” “predict,” “continue,” “target” or other similar words or expressions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove to be incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) evolving legal, regulatory and tax regimes; (2) changes in general economic and/or industry specific conditions; and (3) other risk factors as detailed from time to time in Rand’s reports filed with the Securities and Exchange Commission (“SEC”), including Rand’s annual report on Form 10-K for the year ended December 31, 2020, quarterly reports on Form 10-Q, and other documents filed with the SEC. Consequently, such forward-looking statements should be regarded as Rand’s current plans, estimates and beliefs. Except as required by applicable law, Rand assumes no obligation to update the forward-looking information contained in this release.*

#### **Contacts:**

**Company:**

**Investors:**

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President and CEO

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