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FORM 4

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OMB Approval

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

OMB Number: 3235-0287

[] Check this box if no longer
subject to Section 16. Form
4 or Form 5 obligations may
continue. See Instruction 1(b).

Expires: September 30, 1998

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Estimated average burden
hours per response 0.5

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
to Issuer (Check all applicable)

Penberthy Daniel P. | Rand Capital Corporation - Rand | Director 10% Owner
X Officer (give title below)

(Last) (First) (Middle) | 3. IRS or Social | 4. Statement for | Other (specify below)

56 Lilybrooke Court | Security Number | Month/Year | Treasurer

(Street) | Person (Voluntary) | 7. Individual or Joint/Group Filing

(City) (State) (Zip) | 5. If Amendment, | (Check Applicable Line)
Date of Original | Form filed by One Reporting Person
(Month/Year) | Form filed by more than one
Reporting Person

E. Amherst NY 14051 | | |

Table I - Non Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security | 2. Transaction | 3. Transaction | 4. Securities Acquired(A) | 5. Amount of | 6. Owner- | 7. Nature
(Instr. 3) | Date | Code | or Disposed of (D) | Securities | ship | of

(Month/Day/ | (Instr. 8) | (Instr. 3, 4, and 5) | Beneficially | Form: | Indirect
Year) | | | Owned at End | Direct | Bene-

| | | Amount | (A) | Price | (Instr. 3 | Indirect | Owner-
Code | V | | or | | and 4) | (I) | ship

| | | | (D) | | | (Instr.4)|(Instr.4)

Common Stock | 3/2/01 | P | | 5,000 | A | \$2.125 | 50,000 | D |

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 | 2. Conversion | 3. Transaction | 4. Transaction | 5. Number of | 6. Date Exer- | 7. Title and Amount
(Instr. 3) | or Exercise | Date | Code | Derivative | cisable and | of Underlying

| Price of | | (Instr. 8) | Securities | Expiration Date | Securities

| Derivative | (Month/Day/ | | Acquired (A) | (Month/Day/Year) | (Instr. 3 and 4)

| Security | Year) | | or Disposed | |

| | | | of (D) | -----

Code	V	(A)	(D)	(Instr. 3, 4, and 5)	Date	Expir-	ation	Title	Amount or	Number of
				Exer-	cisable	Date	Shares			

8. Price of	9. Number of	10. Ownership	11. Nature of
Derivative	Derivative	Form of	Indirect
Security	Securities	Derivative	Beneficial
(Instr. 5)	Beneficially	Security;	Ownership
Owned at End	of Month	Direct (D) or	(Instr. 4)
(Instr. 4)	(Instr. 4)	Indirect (I)	

Explanation of Responses:

/s/ Daniel P. Penberthy 3-12-01

**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.

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