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FORM 4

OMB Approval

U.S. 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

OMB Number: 3235-0287

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)

Grum Allen F. | Rand Capital Corporation - RAND | Director 10% Owner
 Officer (give title below)

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

2200 Rand Building | of Reporting | March, 2001 | President

(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

Buffalo NY 14203 | Reporting Person

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 (Instr. 3) | 6. Owner-ship (Direct or Indirect) (Instr. 3) | 7. Nature of Ownership (Beneficial or Official) (Instr. 4)

Common Stock | 3/2/01 | P | 10,000 | A | \$2.125 | 24,400 | D |

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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 Date (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Transaction Date (Month/Day/Year) | 5. Number of Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4)

			4, and 5)	Exer-	ation	Title	Number of
				cisable	Date		Shares
		Code	V	(A)	(D)		

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	Direct (D) or	(Instr. 4)
	of Month	Indirect (I)	
	(Instr. 4)	(Instr. 4)	

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. Page 2