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Rand Capital Corporation

Rand Capital Announces Technological Milestone and Government Biometric Certification by Ultra-Scan Corporation

BUFFALO, NY -- (Marketwire) -- 08/14/12 -- Rand Capital (NASDAQ: RAND) announced its portfolio company, Ultra-Scan Corporation, (Amherst, NY) www.ultra-scan.com has received Federal Bureau of Investigation (FBI) Appendix F certification for its groundbreaking mobile four finger fingerprint sensor.

Ultra-Scan, founded in 1989 by Dr. John K. Schneider, has focused on the technology and performance gaps that exist with current fingerprint scanners used by military and law enforcement in the fight against global terrorism. Those gaps include the need for a fingerprint sensor capable of imaging all four fingers simultaneously; is small and lightweight for mobile field applications; and produces high quality fingerprint images that are not affected by sunlight, contamination, and other real-world operational conditions, which plague "camera-based" fingerprint sensors.

The FBI certification provides assurance to users of biometric collection systems that certified products meet or exceed FBI interoperability standards, and work with the Integrated Automated Fingerprint Information System (IAFIS), ensuring that images used in the system are high quality, and support all phases of identification for both fingerprint experts and IAFIS. www.fbi/biospecs.org/iafis

Dr. Schneider stated, "The new technology results from a six year, \$30M research and development initiative to create the next generation, low cost, low power, live-scan fingerprint products. Ultra-Scan's FBI validation, through the Appendix F standard, required our scanners to meet the most stringent image quality conditions, focusing on human fingerprint comparison and facilitating large scale machine many-to-many matching operation."

"As with most technology advances that are truly generational, these efforts tend to take longer and require more funding than is initially estimated," notes Allen F. Grum, President of Rand Capital. "Ultra-Scan was no different in this regard; we have been long term investors and supporters of Dr. Schneider and his team, and are delighted to receive this critical validation from the FBI regarding the importance of this technology."

Rand currently owns a 4% minority equity interest in Ultra-Scan, and Mr. Grum serves on its Board of Directors.

ABOUT RAND CAPITAL

Headquartered in Buffalo NY, Rand is a publicly held Business Development Company (BDC), and also includes a Small Business Investment Company (SBIC). Rand and its subsidiary provide capital and managerial expertise to private Northeast US based businesses. Rand is traded on the NASDAQ under the symbol "RAND."

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Source: Rand Capital Corporation