

June 19, 2014



Rand Capital Corporation

Rand Partners With Kidd & Company in International Customer Acquisition and Retention Business, iPacesetters LLC

BUFFALO, NY -- (Marketwired) -- 06/19/14 -- Rand Capital Corporation (www.randcapital.com) (NASDAQ: RAND), a Buffalo, New York based Business Development Company (BDC) and Small Business Investment Company (SBIC), announced that it has partnered with Kidd & Company LLC (www.kiddcompany.com) "KCO" in a \$3.0 million equity financing for *Teleservices Solutions Holdings, LLC*, which operates as *iPacesetters LLC* (www.iPacesetters.com), a 1,600+ seat customer contact center specializing in customer acquisition and retention for selected industries. The Company operates in seven states and two international sites.

iPacesetters was founded over 25 years ago and has since grown to be a leading point of customer contact across many industries, including: Cable and Broadband, Telecom and Wireless, Home/Office Security, Financial Services, Energy and Utilities; Healthcare and more.

Kidd & Company originally acquired *iPacesetters* in 2004, as part of its focus on strategy-led investments in the lower end of the middle market where it can create value over time by fundamentally improving the businesses in which it invests. William Kidd, founding Partner of KCO, stated: "We have been long-time investors in the business, and are very pleased to welcome Rand Capital as a fellow investor. We continue to see opportunities to significantly grow the business, both organically and via acquisition."

Allen F. Grum, Rand's President, stated: "We are pleased to partner with Kidd & Company to provide expansion capital for *iPacesetters* to help fund its continued growth with current customers and new opportunities. As a leading sales organization, they bring measurable growth and increase in positive outcomes for their clients."

Gerry DeBiasi, Partner of Kidd & Company and Executive Chairman of *iPacesetters*, stated: "The vision we have had for the Company has been to continue to excel in assisting select industries in providing superior levels of customer engagement. This has provided our client base with market leading lead generation, appointment setting, acquisition and retention services to their customers. The new capital will continue to expand our foothold in this dynamic marketplace."

Safe Harbor Statement

Information contained in this release should be considered forward-looking, and may be subject to inherent uncertainties in predicting future results and conditions. Please see the Corporation's Form 10-Q, Item 1A, previously filed with the Securities and Exchange Commission for a detailed discussion of the risks and uncertainties associated with the Corporation's business.

ABOUT RAND CAPITAL

Rand Capital is a publicly held Business Development Company (BDC). Its wholly owned subsidiary is licensed by the Small Business Administration (SBA) as a Small Business Investment Company (SBIC). Rand provides capital and managerial expertise to small and medium sized private companies primarily located in the Northeast U.S. Rand is traded on the NASDAQ under the symbol "RAND" and is headquartered in Buffalo, NY.

www.randcapital.com

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ABOUT KIDD & COMPANY

Kidd & Company, LLC is an Old Greenwich, Connecticut-based principal investment firm. KCO traces its roots to 1976 when William Kidd made his first private equity investment. Today, KCO is the private investment arm of the Kidd Family Office engaged in sponsoring private equity transactions in the lower middle market. The firm's focus is on driving superior returns by implementing fundamental strategic and operational improvements to drive above-market growth in revenue and earnings, both organically and through accretive acquisitions. The diverse skill set of its partners allows KCO to bring management, operational, sales and marketing, corporate finance and M&A expertise to bear to substantially increase the total value of its investments. For more information, visit

www.kiddcompany.com.

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Source: Rand Capital Corporation