



# ***NEWS RELEASE***

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## **FOR IMMEDIATE RELEASE**

- **Rand Capital announces sale of software company, GridApp Systems, Inc. and clothing designer, ADAM**
- **Rand exits seven portfolio companies over last twelve months generating \$16 million in proceeds**

Buffalo, NY. December 14, 2010 – Rand Capital [NASDAQ:RAND] announced that two of its portfolio companies have been acquired by strategic partners. BMC Software (NASDAQ: BMC) recently acquired New York City database software company GridApp Systems, Inc., and Kellwood Company, a leading designer, manufacturer and marketer of premier fashion brands, has acquired New York City based clothing designer, ADAM. Rand held minority equity positions in both companies. Financial terms of the transactions were not disclosed.

GridApp was founded in 2002 by Rob Gardos, an experienced technology entrepreneur and former Chief Technology Officer and General Manager of Register.com (RCOM), an Internet organization specializing in domain name registration. Rand originally invested into GridApp in 2008. Co-investors in the Company included Ascend Venture Group, LLC, Advantage Capital Partners, and Gefinor Ventures.

GridApp Clarity software simplifies and standardizes deployments, patching, upgrades, migrations, configuration management and other repetitive database administration tasks. From small businesses to Fortune 500, GridApp Clarity is running on thousands of systems worldwide. GridApp's automation capabilities extend the BMC Cloud Lifecycle Management solution, empowering a broader set of IT staff to request and manage database resources in cloud environments.

ADAM was founded in 2004 by Adam Lippes, former worldwide creative director of Oscar de la Renta. ADAM manufactures and sells high-end contemporary sportswear lines for men and women at luxury retailers. Rand originally invested in ADAM in 2006. ADAM was acquired by Kellwood Company and this acquisition will allow ADAM to focus on its core brand while benefiting from Kellwood's distribution channels, its manufacturing and purchasing capabilities as well as its extensive experience in the fashion industry.

Daniel Penberthy, Rand's Executive Vice President stated, "While GridApp and ADAM were involved in unrelated industries, they both were led by entrepreneurs who share the vision, passion and relentless energy required by entrepreneurs to start up a new small business. We

were pleased to be part of their growth and success, and with over \$10 million in deployable capital, we are seeking out new investment opportunities.”

Over the prior twelve month period, Rand has exited seven portfolio companies, including Kionix, Inc., GridApp Systems, Inc., ADAM, RAMSCO, Innov-X Systems, Inc., BioWorks and Golden Goal.

Allen F. Grum, President of Rand Capital stated: “We continue to see strong M&A markets as established companies, who have cash, are seeking young entrepreneurial companies, such as those in the Rand portfolio, to add a unique product/service to their product mix, in order to gain competitive market share in an otherwise challenging economic environment. Once acquired, we feel these companies will be in a better position to exploit the technologies and ensure the businesses are properly capitalized. We are hopeful for continued strong M&A activity”.

#### *ABOUT RAND CAPITAL*

*Rand Capital is a publicly held Business Development Company (BDC), and its wholly owned subsidiary is licensed by the Small Business Administration (SBA) as a Small Business Investment Company (SBIC). Rand and its subsidiary provide 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”. Rand is headquartered in Buffalo, NY.*

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