

NETWORK 1 SECURITY SOLUTIONS INC
 Form 4
 March 02, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HOROWITZ COREY M

2. Issuer Name and Ticker or Trading Symbol
NETWORK 1 SECURITY SOLUTIONS INC [NSSI-OTC]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
C/O CMH CAPITAL MANAGEMENT CORP., 445 PARK AVENUE, SUITE 1028
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/28/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
CEO and Chairman

NEW YORK, NY 10022
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One 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) | 2A. Deemed Execution Date, if any (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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative 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 Security (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Am Nun Sha |
| Option to purchase common stock | \$ 1.46 | 02/28/2007 | | A | 375,000 | 03/31/2007 ⁽¹⁾ | 02/28/2012 | Common stock | 3 |
| Warrant to purchase common stock | \$ 1.48 | 02/28/2007 | | J | 250,000 | 02/28/2007 | 10/08/2010 | Common stock | 23 |
| Option to purchase common stock | \$ 1.2 | 02/28/2007 | | J | 750,000 | 02/28/2007 | 04/18/2010 | Common stock | 73 |
| Option to purchase common stock | \$ 0.23 | 02/28/2007 | | J | 1,084,782 | 02/28/2007 | 12/22/2011 | Common stock | 1,0 |
| Option to purchase common stock | \$ 0.13 | 02/28/2007 | | J | 515,218 | 02/28/2007 | 12/22/2011 | Common stock | 5 |
| Option to purchase common stock | \$ 6 | 02/28/2007 | | J | 20,000 | 02/28/2007 | 10/20/2011 | Common stock | 2 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| HOROWITZ COREY M C/O CMH CAPITAL MANAGEMENT CORP. 445 PARK AVENUE, SUITE 1028 NEW YORK, NY 10022 | X | X | CEO and Chairman | |
| CMH CAPITAL MANAGEMENT CORP 445 PARK AVENUE SUITE 1028 | | X | | |

NEW YORK, NY 10021

Signatures

By: /s/ Corey M.
Horowitz

03/01/2007

__Signature of Reporting
Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The shares of common stock underlying the option vest in equal quarterly amounts of 93,750 shares beginning March 31, 2007 through December 31, 2007.
- (2) The options were issued pursuant to an Employment Agreement, Dated February 28, 2007, between the issuer and the reporting person.
- (3) In accordance with the Employment Agreement, dated February 28, 2007, between the Issuer and the Reporting Person, the expiration date of such options or warrants was extended for an additional 3 years.
- (4) The options or warrants are owned by CMH Capital Management Corp., an entity in which the reporting person is the sole officer, director and stockholder.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.