

FIRST NEW YORK SECURITIES LLC /NY
Form SC 13G/A
February 13, 2007

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Under the Securities Exchange Act of 1934

SCHEDULE 13G

AMENDMENT NO. 3

INFORMATION STATEMENT PURSUANT TO RULES 13d-1 AND 13d-2
UNDER THE SECURITIES EXCHANGE ACT OF 1934

Network-1 Security Solutions, Inc.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

64121N109

(CUSIP Number)

December 31, 2006

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

SCHEDULE 13G

CUSIP No. 98975L108

- 1) **NAME OF REPORTING PERSON**
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

First New York Securities L.L.C.

- 2) **CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP** (a)
(b)

- 3) **SEC USE ONLY**

- 4) **CITIZENSHIP OR PLACE OF ORGANIZATION**

New York

	5)	SOLE VOTING POWER	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH			637,596
	6)	SHARED VOTING POWER	
			0
	7)	SOLE DISPOSITIVE POWER	
			637,596
	8)	SHARED DISPOSITIVE POWER	
			0

- 9) **AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

637,596

- 10) **CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES**

- 11) **PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

3.2%

- 12) **TYPE OF REPORTING PERSON**

BD

2

SCHEDULE 13G

CUSIP No. 98975L108

- 1) **NAME OF REPORTING PERSON**
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Steve Heinemann

- 2) **CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP** (a)
(b)

- 3) **SEC USE ONLY**

- 4) **CITIZENSHIP OR PLACE OF ORGANIZATION**

United States

	5)	SOLE VOTING POWER
NUMBER		793,341
OF		
SHARES	6)	SHARED VOTING POWER
BENEFICIALLY		0
OWNED BY		
EACH	7)	SOLE DISPOSITIVE POWER
REPORTING		793,341
PERSON		
WITH	8)	SHARED DISPOSITIVE POWER
		278,596

- 9) **AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

1,071,937

- 10) **CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES**

- 11) **PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

5.4%

- 12) **TYPE OF REPORTING PERSON**

IN

SCHEDULE 13G

CUSIP No. 98975L108

- 1) **NAME OF REPORTING PERSON**
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Doug Lipton

- 2) **CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP** (a)
(b)

- 3) **SEC USE ONLY**

- 4) **CITIZENSHIP OR PLACE OF ORGANIZATION**

United States

	5)	SOLE VOTING POWER
NUMBER		182,200
OF		
SHARES	6)	SHARED VOTING POWER
BENEFICIALLY		0
OWNED BY		
EACH	7)	SOLE DISPOSITIVE POWER
REPORTING		182,200
PERSON		
WITH	8)	SHARED DISPOSITIVE POWER
		278,596

- 9) **AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

460,796

- 10) **CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES**

- 11) **PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

2.3%

- 12) **TYPE OF REPORTING PERSON**

IN

SCHEDULE 13G

CUSIP No. 98975L108

- 1) **NAME OF REPORTING PERSON**
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Jay Goldstein

- 2) **CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP** (a)
(b)

- 3) **SEC USE ONLY**

- 4) **CITIZENSHIP OR PLACE OF ORGANIZATION**

United States

	5)	SOLE VOTING POWER
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		96,500
	6)	SHARED VOTING POWER
		0
	7)	SOLE DISPOSITIVE POWER
		96,500
	8)	SHARED DISPOSITIVE POWER
		359,000

- 9) **AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

455,500

- 10) **CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES**

- 11) **PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)**

2.3%

- 12) **TYPE OF REPORTING PERSON**

IN

Schedule 13G

Item 1(a). Name of Issuer:

Network-1 Security Solutions, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

445 Park Avenue, Suite 1028
New York, New York 10022

Item 2(a). Name of Person Filing:

(1) First New York Securities L.L.C. ("FNYS")

(2) Steve Heinemann. Mr. Heinemann is employed by and trades securities of the issuer for the proprietary account of FNYS.

(3) Doug Lipton. Mr. Lipton is a Partner of FNYS.

(4) Jay Goldstein. Mr. Goldstein is a Partner of FNYS.

Item 2(b). Address of Principal Business Office or, if None, Residence:

(1) First New York Securities L.L.C. 850 Third Avenue, 17th Floor
New York, NY 10022

(2) Steve Heinemann c/o First New York Securities L.L.C.
850 Third Avenue, 8th Floor
New York, NY 10022

(3) Doug Lipton c/o First New York Securities L.L.C.
850 Third Avenue, 8th Floor
New York, NY 10022

(4) Jay Goldstein c/o First New York Securities L.L.C.
850 Third Avenue, 8th Floor
New York, NY 10022

Item 2(c). Citizenship:

(1) First New York Securities L.L.C. New York

(2) Steve Heinemann United States

(3) Doug Lipton United States

(4) Jay Goldstein United States

Item 2(d). Title of Class of Securities:

Common Stock, par value \$.01 per share

Item 2(e). CUSIP Number:

6

64121N-10-9

Item 3. If this statement is filed pursuant to §§ 240.13d-1(b), or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or Dealer Registered Under Section 15 of the Act (15 U.S.C. 78o)
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c)
- (c) Insurance Company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c)
- (d) Investment Company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8)
- (e) Investment Adviser in accordance with § 240.13d-1(b)(1)(ii)(E)
- (f) Employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F)
- (g) Parent Holding Company or control person in accordance with §240.13d-1(b)(ii)(G)
- (h) Savings Association as defined in §3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813)
- (i) Church plan that is excluded from the definition of an investment company under §3(c)(15) of the Investment Company Act of 1940 (15 U.S.C. 80a-3)
- (j) Group, in accordance with §240.13d-1(b)(ii)(J)

Item 4. Ownership.

(a) Amount beneficially owned:

(1) First New York Securities L.L.C.	637,596
(2) Steve Heinemann	1,071,937
(3) Doug Lipton	460,796 ¹
(4) Jay Goldstein	455,500

(b) Percent of class²:

(1) First New York Securities L.L.C.	3.2%
(2) Steve Heinemann	5.4%
(3) Doug Lipton	2.3%
(4) Jay Goldstein	2.3%

¹ Includes shares held by Lucia Marie Smith (Doug Lipton's wife).

² Percentages are based on 19,684,724 shares of Common Stock outstanding (as set forth in the Issuer's Form 10-Q-QSB, for the quarterly report September 30, 2006).

7

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote:

(1) First New York Securities L.L.C.	637,596
(2) Steve Heinemann	793,341
(3) Doug Lipton	182,200
(4) Jay Goldstein	96,500

(ii) Shared power to vote or to direct the vote:

(1) First New York Securities L.L.C.	0
(2) Steve Heinemann	0
(3) Doug Lipton	0
(4) Jay Goldstein	0

(iii) Sole power to dispose or to direct the disposition of:

(1) First New York Securities L.L.C.	637,596
(2) Steve Heinemann	793,341
(3) Doug Lipton	182,200
(4) Jay Goldstein	96,500

(iv) Shared power to dispose or to direct the disposition of:

(1) First New York Securities L.L.C.	0
(2) Steve Heinemann	278,596
(3) Doug Lipton	278,596
(4) Jay Goldstein	359,000

Item 5. Ownership of Five Percent or Less of a Class.

Not Applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

Not Applicable.

8

Item 8. Identification and Classification of Members of the Group.

Not Applicable.

Item 9. Notice of Dissolution of Group.

Not Applicable.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: February 13, 2007

FIRST NEW YORK SECURITIES L.L.C.

By: /s/ Harris Sufian

Name: Harris Sufian

Title: Managing Member

/s/ Steve Heinemann

Steve Heinemann

/s/ Doug Lipton

Doug Lipton

/s/ Jay Goldstein

Jay Goldstein

AGREEMENT OF JOINT FILING

Pursuant to rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned persons hereby agree to file with the Securities and Exchange Commission the Statement on Schedule 13G (the "Statement") to which this Agreement is attached as an exhibit, and agree that such Statement, as so filed is on the behalf of each of them.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of February 13, 2007.

FIRST NEW YORK SECURITIES L.L.C.

By: /s/ Harris Sufian

Name: Harris Sufian

Title: Managing Member

/s/ Steve Heinemann

Steve Heinemann

/s/ Doug Lipton

Doug Lipton

/s/ Jay Goldstein

Jay Goldstein