

NETWORK 1 SECURITY SOLUTIONS INC
 Form 4
 January 06, 2012

FORM 4

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

OMB APPROVAL

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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)
6 BROOKLAWN DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/04/2012

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

WESTPORT, CT 06880

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

(City) (State) (Zip)

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 Indirect Ownership (Instr. 4) | | | |
|---|--------------------------------------|--|--------------------------------|---|---|--|--|-----------|---|------------------|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, \$.01 par value per share | 01/04/2012 | | M | | 20,000 | A | \$ 0.68 | 1,430,569 | D | |
| Common Stock, \$.01 par value per share | 01/04/2012 | | F | | 14,115 (1) | D | \$ 1.19 | 1,416,454 | D | |
| Common Stock, \$.01 par value per share | 01/04/2012 | | X | | 300,000 | A | \$ 0.68 | 2,342,800 | I | See footnote (2) |

| | | | | | | | | |
|--|------------|------------------|-----------------------|---|------------|-----------|---|-------------------------------|
| Common Stock, \$.01 par value per share | 01/04/2012 | J ⁽³⁾ | 171,428 <u>(3)</u> | D | \$ 1.19 | 2,171,372 | I | See footnote <u>(2)</u> |
|--|------------|------------------|-----------------------|---|------------|-----------|---|-------------------------------|

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

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

| 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 Securities (Instr. 3 and 4) | | |
|---|--|---|---|--------------------------------------|---|--|---|---------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Option to purchase common stock (right to buy) | \$ 0.68 | 01/04/2012 | | M | 20,000 | 10/20/1998 10/20/2014 | Common Stock | 20,000 | |
| Option to purchase common stock (right to buy) | \$ 0.68 | 01/04/2012 | | X | 300,000 | 07/11/2011 07/11/2014 | Common Stock | 300,000 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| HOROWITZ COREY M 6 BROOKLAWN DRIVE WESTPORT, CT 06880 | X | X | CEO and Chairman | |

Signatures

By: /s/ Corey M.
Horowitz

01/06/2012

__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) 11,428 shares delivered in connection with cashless exercise of option and 2,687 shares to satisfy tax withholding.
- (2) The securities are owned directly by CMH Capital Management Corp. and indirectly by Corey M. Horowitz. CMH Capital Management Corp. is an entity in which Corey Horowitz is the sole officer, director and shareholder.
- (3) Delivered to the Issuer in connection with cashless exercise of warrant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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