NETWORK 1 SECURITY SOLUTIONS INC
Form 4
December 14, 2010

FORM 4

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

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

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).

(Print or Type Responses)

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

(Last) (First) (Middle)

C/O CMH CAPITAL MANAGEMENT CORP, 445 PARK AVENUE, SUITE 1018

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
12/10/2010

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director __X__ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
CEO and Chairman

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, $.01 par value per share	12/10/2010		M		1,084,782	A	$ 0.23	1,353,585	D (1)	
Common Stock, $.01 par value per share								2,042,800	I	See Footnote (2)

Common Stock, $.01 par value per share	12/14/2010		S	1,000	D	$ 1.62	1,352,575	D (3)
Common Stock, $.01 par value per share	12/14/2010		S	51,000	D	$ 1.58	1,301,585	D (3)
Common Stock, $.01 par value per share	12/14/2010		S	28,500	D	$ 1.56	1,273,085	D (3)

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 Underlying Securitie (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amoun Numbe Shares
Option to purchase common stock	$ 0.23	12/10/2010		M		1,084,782		12/22/2003	12/22/2011	Common Stock	1,084

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 1018 NEW YORK, NY 10022	X	X	CEO and Chairman	

CMH CAPITAL MANAGEMENT CORP
445 PARK AVENUE
SUITE 1018
NEW YORK, NY 10022

X

Signatures

By: /s/ Corey M. Horowitz	12/13/2010
**Signature of Reporting Person	Date
By: /s/ Corey M. Horowitz for CMH Capital Management Corp.	12/13/2010
**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) Represents the exercise by Corey M. Horowitz of incentive stock options issued under the Issuer's 1996 Stock Option Plan, as amended.

(2) The shares 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) Represents the sale of a portion of the shares underlying the option exercised by Corey M. Horowitz on December 10, 2010.

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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