

AUERBACH JONATHAN A G  
 Form 4  
 April 09, 2010

**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 \*  
 Hound Partners, LLC

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 101 PARK AVENUE, 48TH FLOOR  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 04/01/2010

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_ Other (specify below)

NEW YORK, NY 10178

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_ Form filed by One Reporting Person  
 \_X\_ 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 Beneficial Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock \$.01 par value per share	04/01/2010	04/01/2010	S <sup>(1)</sup>	244,230	D	\$ 0.93	812,985 I	By Hound Partners, LP <sup>(2)</sup>
Common Stock \$.01 par value per share	04/01/2010	04/01/2010	P <sup>(1)</sup>	21,385	A	\$ 0.93	1,160,753 I	By Hound Partners Offshore Fund, LP <sup>(3)</sup>
Common Stock \$.01	04/01/2010	04/01/2010	P <sup>(1)</sup>	222,845	A	\$ 0.93	222,845 I	By Hound Partners,

par value  
per share

LLC <sup>(4)</sup>

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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 Security (Instr. 3 and 4)	Ar Nu Sh
						Date Exercisable	Expiration Date		
Common Stock Warrant (Right to Buy)	\$ 2	04/01/2010	04/01/2010	S <sup>(1)</sup>	83,943	04/16/2007	04/16/2012	Common Stock`	8
Common Stock Warrant (Right to Buy)	\$ 2	04/01/2010	04/01/2010	S <sup>(1)</sup>	25,962	04/16/2007	04/16/2012	Common Stock	2
Common Stock Warrant (Right to Buy)	\$ 2	04/01/2010	04/01/2010	P <sup>(1)</sup>	109,905	04/16/2007	04/16/2012	Common Stock	10

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hound Partners, LLC 101 PARK AVENUE 48TH FLOOR NEW YORK, NY 10178		X		
Hound Performance, LLC 101 PARK AVENUE		X		

