

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934  
(Amendment No. 3)(1)

NETWORK-1 SECURITY SOLUTIONS, INC.  
(Name of Issuer)

COMMON STOCK, \$0.01 PAR VALUE  
(Title of Class of Securities)

64121N109  
(CUSIP Number)

Copy to:

Michael R. Reiner, Esq.  
Wheatley Partners II, L.P.                      Morrison Cohen Singer & Weinstein, LLP  
80 Cuttermill Road                              750 Lexington Avenue  
Great Neck, NY 11021                          New York, New York 10022  
Telephone (516) 773-1024                      Telephone (212) 735-8600  
(Name, Address and Telephone Number of Persons  
Authorized to Receive Notices and Communications)

October 2, 2001  
(Date of Event which Requires Filing this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d- 1(f) or 13d-1(g), check the following box .

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

(Continued on following page(s))

-----  
(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Page 1 of 33

CUSIP  
No. 64121N109                      13D

=====

1 Names of Reporting Persons  
I.R.S. Identification Nos. of Above Persons (Entities Only)  
Wheatley Partners II, L.P.

-----

2 Check the Appropriate Box if a Member of a Group\*

(a)

(b)

-----

3 SEC Use Only

-----  
4 Source of Funds\* WC, OO  
-----

5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization New York  
-----

7 Sole Voting Power  
Number of Shares 1,572,015 shares 23.0%  
-----

Beneficially 8 Shared Voting Power  
Owned By Each 0 shares 0%  
-----

Reporting Person 9 Sole Dispositive Power  
With 1,572,015 shares 23.0%  
-----

10 Shared Dispositive Power  
0 shares 0%  
-----

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
1,572,015 shares  
-----

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

13 Percent of Class Represented by Amount in Row (11)  
23.0%  
-----

14 Type of Reporting Person\*  
PN  
=====

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 2 of 33

CUSIP  
No. 64121N109 13D  
=====

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Applewood Capital Corp.  
-----

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

3 SEC Use Only  
-----

4 Source of Funds\* WC, OO  
-----

5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization New York  
-----

7 Sole Voting Power  
Number of Shares 0 shares 0%  
-----

Beneficially 8 Shared Voting Power

Owned By	0 shares	0%
Each	-----	
Reporting	9 Sole Dispositive Power	
Person	0 shares	0%
With	-----	
	10 Shared Dispositive Power	
	0 shares	0%

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
0 shares

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

13 Percent of Class Represented by Amount in Row (11)  
0%

14 Type of Reporting Person\*  
CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 3 of 33

CUSIP  
No. 64121N109 13D

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Irwin Lieber

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

3 SEC Use Only

4 Source of Funds\* PF, OO

5 Check Box if Disclosure of Legal Proceedings is Required  
Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization United States

	7 Sole Voting Power	
Number of	933,011 shares	12.6%
Shares	-----	
Beneficially	8 Shared Voting Power	
Owned By	1,949,371 shares	27.0%
Each	-----	
Reporting	9 Sole Dispositive Power	
Person	933,011 shares	12.6%
With	-----	
	10 Shared Dispositive Power	
	1,949,371 shares	27.0%

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
2,882,382 shares

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

-----  
13 Percent of Class Represented by Amount in Row (11)  
35.4%  
-----

14 Type of Reporting Person\*  
IN  
-----

=====

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 4 of 33

CUSIP  
No. 64121N109 13D  
-----

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Barry Rubenstein  
-----

2 Check the Appropriate Box if a Member of a Group\* (a) [ ]  
(b) [ ]  
-----

3 SEC Use Only  
-----

4 Source of Funds\* PF, OO  
-----

5 Check Box if Disclosure of Legal Proceedings is Required  
Pursuant to Item 2(d) or 2(e) [ ]  
-----

6 Citizenship or Place of Organization United States  
-----

-----

7	Sole Voting Power		
Number of	319,056 shares		4.7%
Shares	-----		
Beneficially	8 Shared Voting Power		
Owned By	5,204,209 shares		51.1%
Each	-----		
Reporting	9 Sole Dispositive Power		
Person	319,056 shares		4.7%
With	-----		
	10 Shared Dispositive Power		
	5,204,209 shares		51.1%

-----

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
5,523,265 shares  
-----

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\* [ ]  
-----

13 Percent of Class Represented by Amount in Row (11)  
52.7%  
-----

14 Type of Reporting Person\*  
IN  
-----

=====

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 5 of 33

---

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Barry Fingerhut

---

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

---

3 SEC Use Only

---

4 Source of Funds\* PF, OO

---

5 Check Box if Disclosure of Legal Proceedings is Required  
Pursuant to Item 2(d) or 2(e)

---

6 Citizenship or Place of Organization United States

---

7 Sole Voting Power		
Number of Shares	843,607 shares	11.6%
Beneficially Owned By Each Reporting Person	8 Shared Voting Power 1,949,371 shares	27.0%
With	9 Sole Dispositive Power 843,607 shares	11.6%
	10 Shared Dispositive Power 1,949,371 shares	27.0%

---

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
2,792,978 shares

---

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

---

13 Percent of Class Represented by Amount in Row (11)  
34.8%

---

14 Type of Reporting Person\*  
IN

---

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

---

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Seth Lieber

---

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

---

3 SEC Use Only

---

4 Source of Funds\* PF, OO

5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization United States

7 Sole Voting Power		
Number of Shares	51,824 shares	0.8%
Beneficially Owned By Each Reporting Person With		
8 Shared Voting Power		
Owned By Each	2,128,926 shares	28.8%
9 Sole Dispositive Power		
Owned By Each	51,824 shares	0.8%
10 Shared Dispositive Power		
Owned By Each	2,128,926 shares	28.8%

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
2,180,750 shares

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

13 Percent of Class Represented by Amount in Row (11)  
29.3%

14 Type of Reporting Person\*  
IN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 7 of 33

CUSIP  
No. 64121N109 13D

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Jonathan Lieber

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

3 SEC Use Only

4 Source of Funds\* PF, OO

5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization United States

7 Sole Voting Power		
Number of Shares	50,272 shares	0.8%
Beneficially Owned By		
8 Shared Voting Power		
Owned By	2,128,926 shares	28.8%

Each Reporting Person With	9 Sole Dispositive Power 50,272 shares	0.8%
	10 Shared Dispositive Power 2,128,926 shares	28.8%

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
2,179,198 shares

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

13 Percent of Class Represented by Amount in Row (11)  
29.3%

14 Type of Reporting Person\*  
IN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 8 of 33

CUSIP  
No. 64121N109 13D

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Woodland Venture Fund

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

3 SEC Use Only

4 Source of Funds\* WC, OO

5 Check Box if Disclosure of Legal Proceedings is Required  
Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization New York

	7 Sole Voting Power Number of Shares 1,305,071 shares	17.1%
Beneficially Owned By Each Reporting Person With	8 Shared Voting Power 0 shares	0%
	9 Sole Dispositive Power 1,305,071 shares	17.1%
	10 Shared Dispositive Power 0 shares	0%

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
1,305,071 shares

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

13 Percent of Class Represented by Amount in Row (11)

17.1%

-----  
14 Type of Reporting Person\*  
PN  
=====

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 9 of 33

CUSIP  
No. 64121N109 13D  
=====

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Seneca Ventures

-----  
2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

-----  
3 SEC Use Only

-----  
4 Source of Funds\* WC, OO

-----  
5 Check Box if Disclosure of Legal Proceedings is Required  
Pursuant to Item 2(d) or 2(e)

-----  
6 Citizenship or Place of Organization New York

-----  
7 Sole Voting Power  
Number of 946,347 shares 13.0%  
Shares -----  
Beneficially 8 Shared Voting Power  
Owned By 0 shares 0%  
Each -----  
Reporting 9 Sole Dispositive Power  
Person 946,347 shares 13.0%  
With -----  
10 Shared Dispositive Power  
0 shares 0%

-----  
11 Aggregate Amount Beneficially Owned By Each Reporting Person  
946,347 shares

-----  
12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

-----  
13 Percent of Class Represented by Amount in Row (11)  
13.0%

-----  
14 Type of Reporting Person\*  
PN  
=====

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 10 of 33



---

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Marilyn Rubenstein

---

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

---

3 SEC Use Only

---

4 Source of Funds\* PF,OO

---

5 Check Box if Disclosure of Legal Proceedings is Required  
Pursuant to Item 2(d) or 2(e)

---

6 Citizenship or Place of Organization United States

---

7 Sole Voting Power		
Number of Shares	2,176 shares	0.03%
Beneficially Owned By Each Reporting Person	8 Shared Voting Power 3,252,662 shares	34.5%
With	9 Sole Dispositive Power 2,176 shares	0.03%
	10 Shared Dispositive Power 3,252,662 shares	34.5%

---

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
3,254,838 shares

---

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

---

13 Percent of Class Represented by Amount in Row (11)  
34.5%

---

14 Type of Reporting Person\*  
IN

---

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

---

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Woodland Services Corp.

---

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

---

3 SEC Use Only

4 Source of Funds\* OO

5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization New York

7 Sole Voting Power		
Number of Shares	0 shares	0%
Beneficially Owned By Each Reporting Person With	8 Shared Voting Power 2,251,419 shares	29.5%
	9 Sole Dispositive Power 0 shares	0%
	10 Shared Dispositive Power 2,251,419 shares	29.5%

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
2,251,419 shares

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

13 Percent of Class Represented by Amount in Row (11)  
29.5%

14 Type of Reporting Person\*  
CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 12 of 33

CUSIP

No. 64121N109 13D

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Woodland Partners

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

3 SEC Use Only

4 Source of Funds\* WC, OO

5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization New York

7 Sole Voting Power		
Number of Shares	529,547 shares	7.6%

Shares	-----	
Beneficially Owned By Each Reporting Person	8 Shared Voting Power 0 shares	0%
With	-----	
Reporting Person	9 Sole Dispositive Power 529,547 shares	7.6%
With	-----	
	10 Shared Dispositive Power 0 shares	0%

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
529,547 shares

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

13 Percent of Class Represented by Amount in Row (11)  
7.6%

14 Type of Reporting Person\*  
PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 13 of 33

CUSIP  
No. 64121N109 13D

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Brookwood Partners, L.P.

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

3 SEC Use Only

4 Source of Funds\* WC, OO

5 Check Box if Disclosure of Legal Proceedings is Required  
Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization New York

	-----	
Number of Shares	7 Sole Voting Power 471,696	6.8%
Beneficially Owned By Each Reporting Person	8 Shared Voting Power 0 shares	0%
With	-----	
Reporting Person	9 Sole Dispositive Power 471,696	6.8%
With	-----	
	10 Shared Dispositive Power 0 shares	0%

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
471,696 shares

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\* [ ]

13 Percent of Class Represented by Amount in Row (11)  
6.8%

14 Type of Reporting Person\*  
PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 14 of 33

CUSIP  
No. 64121N109 13D

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Applegreen Partners

2 Check the Appropriate Box if a Member of a Group\* (a) [ ]  
(b) [ ]

3 SEC Use Only

4 Source of Funds\* WC, OO

5 Check Box if Disclosure of Legal Proceedings is Required  
Pursuant to Item 2(d) or 2(e) [ ]

6 Citizenship or Place of Organization New York

7 Sole Voting Power		
Number of Shares	179,555 shares	2.7%
Beneficially Owned By Each Reporting Person		
8 Shared Voting Power	0 shares	0%
9 Sole Dispositive Power	179,555 shares	2.7%
10 Shared Dispositive Power	0 shares	0%

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
179,555 shares

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\* [ ]

13 Percent of Class Represented by Amount in Row (11)  
2.7%

14 Type of Reporting Person\*  
PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP  
No. 64121N109 13D

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Wheatley Partners, L.P.

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

3 SEC Use Only

4 Source of Funds\* WC, OO

5 Check Box if Disclosure of Legal Proceedings is Required  
Pursuant to Item 2(d) or 2(e)

6 Citizenship or Place of Organization Delaware

	7	Sole Voting Power	
Number of	347,168 shares		5.1%
Shares			
Beneficially	8	Shared Voting Power	
Owned By	30,188 shares		0.5%
Each			
Reporting	9	Sole Dispositive Power	
Person	347,168 shares		5.1%
With			
	10	Shared Dispositive Power	
	30,188 shares		0.5%

11 Aggregate Amount Beneficially Owned By Each Reporting Person  
377,356 shares

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

13 Percent of Class Represented by Amount in Row (11)  
5.5%

14 Type of Reporting Person\*  
PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP  
No. 64121N109 13D

1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Wheatley Foreign Partners, L.P.

2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

-----  
3 SEC Use Only

-----  
4 Source of Funds\* WC, OO

-----  
5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)

-----  
6 Citizenship or Place of Organization Delaware

-----  
7 Sole Voting Power  
Number of Shares 30,188 shares 0.5%  
-----  
Beneficially Owned By 8 Shared Voting Power  
Each Reporting Person 347,168 shares 5.1%  
-----  
9 Sole Dispositive Power  
With 30,188 shares 0.5%  
-----  
10 Shared Dispositive Power  
347,168 shares 5.1%

-----  
11 Aggregate Amount Beneficially Owned By Each Reporting Person  
377,356 shares

-----  
12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\*

-----  
13 Percent of Class Represented by Amount in Row (11)  
5.5%

-----  
14 Type of Reporting Person\*  
PN

=====  
\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP  
No. 64121N109 13D

-----  
1 Names of Reporting Persons  
I.R.S. Identification No. of Above Persons (Entities Only)  
Wheatley Partners, LLC

-----  
2 Check the Appropriate Box if a Member of a Group\* (a)   
(b)

-----  
3 SEC Use Only

-----  
4 Source of Funds\* OO

-----  
5 Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)

-----  
6 Citizenship or Place of Organization Delaware

-----		
7	Sole Voting Power	
Number of Shares	0 shares	0%
-----		
Beneficially Owned By Each Reporting Person With	8 Shared Voting Power 377,356 shares	5.5%
-----		
9	Sole Dispositive Power	
0 shares		0%
-----		
10	Shared Dispositive Power	
377,356 shares		5.5%
-----		
11	Aggregate Amount Beneficially Owned By Each Reporting Person	
	377,356 shares	

-----

12 Check Box if the Aggregate Amount in Row (11) excludes Certain Shares\* [ ]

-----

13 Percent of Class Represented by Amount in Row (11)  
5.5%

-----

14 Type of Reporting Person\*  
OO

=====

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Page 18 of 33

This statement, dated October 2, 2001, constitutes Amendment No. 3 to the Schedule 13D, dated November 12, 1998, regarding the reporting persons' ownership of certain securities of Network-1 Security Solutions, Inc. All capitalized terms used herein and otherwise undefined shall have the meanings ascribed in the Schedule.

ITEM 1. Security and Issuer.

Item 1 is hereby amended by adding the following paragraphs:

This statement relates to the shares of common stock, \$0.01 par value per share (the "Common Stock") of Network-1 Security Solutions, Inc. (the "Issuer").

The principal executive offices of the Issuer are located at 1601 Trapelo Road, Reservoir Place, Waltham, Massachusetts 02451.

ITEM 2. Identity and Background.

Item 2 is hereby amended by adding the following paragraphs:

Items 2(a), 2(b), 2(c) and 2(f). This Statement is jointly filed by the following entities (collectively referred to as the "Reporting Persons"):

- o Wheatley Partners, L.P., a Delaware limited partnership ("Wheatley");
- o Wheatley Foreign Partners, L.P., a Delaware limited partnership ("Wheatley Foreign");
- o Wheatley Partners II, L.P., a New York limited partnership ("Wheatley Partners II");
- o Irwin Lieber, a United States citizen;
- o Barry Fingerhut, a United States citizen;
- o Applegreen Partners, a New York general partnership ("Applegreen");
- o Seth Lieber, a United States citizen;
- o Jonathan Lieber, a United States citizen;
- o Seneca Ventures, a New York limited partnership ("Seneca");
- o Woodland Venture Fund, a New York limited partnership ("Woodland

- Venture");
- o Woodland Partners, a New York general partnership ("Woodland Partners");
- o Brookwood Partners, L.P., a New York limited partnership ("Brookwood");
- o Barry Rubenstein, a United States citizen; and
- o Marilyn Rubenstein, a United States citizen.

The principal business of each of Wheatley, Wheatley Foreign, Wheatley Partners II, Seneca, Woodland Venture, Woodland Partners, Brookwood and Applegreen is investing.

Wheatley Partners LLC ("Wheatley LLC") is the general partner of Wheatley and a general partner of Wheatley Foreign. Messrs. Barry Rubenstein, Irwin Lieber, Seth Lieber, Jonathan Lieber and Barry Fingerhut are members and officers of Wheatley LLC and are general

Page 19 of 33

partners of Wheatley Partners II. The principal place of business of Wheatley, Wheatley Foreign, Wheatley Partners II, Wheatley LLC, Messrs. Irwin Lieber, Seth Lieber, Jonathan Lieber and Barry Fingerhut is 80 Cuttermill Road, Suite 311, Great Neck, New York 11021.

Barry Rubenstein is a general partner of each of Seneca, Woodland Venture, Woodland Partners and Brookwood. Woodland Services Corp., a New York corporation ("Woodland Services"), is a general partner of Seneca and Woodland Venture. Marilyn Rubenstein is a general partner of Woodland Partners and Brookwood, an officer of Woodland Services Corp. and the spouse of Mr. Rubenstein. The principal place of business of each of Seneca, Woodland Venture, Woodland Partners, Brookwood, Mr. Rubenstein, Mrs. Rubenstein and Woodland Services is 68 Wheatley Road, Brookville, New York 11545.

Jonathan Lieber is the managing general partner and Seth Lieber is a general partner of Applegreen. The principal place of business of Applegreen is 8 Applegreen Drive, Old Westbury, New York 11568.

Effective July 1, 2001, Applewood Capital ceased to be a general partner of Wheatley Partners II.

Item 2(d) During the last five years, none of the Reporting Persons nor Wheatley LLC, nor Woodland Services has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

Item 2(e) During the last five years, none of the Reporting Persons nor Wheatley LLC, nor Woodland Services has been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

### ITEM 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended by adding the following paragraphs:

On October 2, 2001, Wheatley Partners II, Wheatley Partners, Wheatley Foreign, Woodland Venture, Seneca, Woodland Partners, Brookwood, Applegreen, Barry Rubenstein, Irwin Lieber, Barry Fingerhut, Seth Lieber and Jonathan Lieber each acquired in a private placement transaction (the "Series E Offering") 94,339 shares, 86,792 shares, 7,547 shares, 212,264 shares, 165,094 shares, 94,339 shares, 117,924 shares, 35,377 shares, 47,169 shares, 165,094 shares, 165,094 shares, 11,792 shares and 11,792 shares of Series E Convertible Preferred Stock, \$0.01 par value per share (the "Series E Preferred Stock"), respectively, of the Issuer, that are immediately convertible into 188,678 shares, 173,584 shares, 15,094 shares, 424,528 shares, 330,188 shares, 188,678 shares, 235,848 shares, 70,754 shares, 94,338 shares, 330,188 shares, 330,188 shares, 23,584 shares and 23,584 shares of Common Stock,

Page 20 of 33



respectively, and warrants to purchase shares of Common Stock at an exercise price of \$1.27 per share, that are immediately exercisable for 188,678 shares, 173,584 shares, 15,094 shares, 424,528 shares, 330,188 shares, 188,678 shares, 235,848 shares, 70,754 shares, 94,338 shares, 330,188 shares, 330,188 shares, 23,584 shares and 23,584 shares of Common Stock, respectively. The purchase price of these securities was \$199,998, \$183,999, \$16,000, \$500,000, \$349,999, \$199,998, \$249,998, \$74,999, \$99,998, \$349,999, \$349,999, \$24,999 and \$24,999, respectively.

Wheatley Partners II, Wheatley, Wheatley Foreign, Woodland Venture, Seneca, Woodland Partners, Brookwood and Applegreen acquired these securities with their respective working capital and other funds. Barry Rubenstein, Irwin Lieber, Barry Fingerhut, Seth Lieber and Jonathan Lieber acquired these securities with their respective personal funds and other funds.

ITEM 4. Purpose of Transaction.

Item 4 is hereby amended and restated as follows:

Other than the reporting persons purchase or sale of additional securities of the Issuer, no reporting person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D except as set forth herein.

ITEM 5. Interests in Securities of the Issuer.

Item 5 is hereby amended and restated as follows:

(a) The following list sets forth the aggregate number and percentage (based on 6,467,547 shares of Common Stock outstanding as reported in the Issuer's Form 10-QSB for the quarter ended June 30, 2001) of outstanding shares of Common Stock owned beneficially by each reporting person named in Item 2, as of October 2, 2001:

<TABLE>  
<CAPTION>

Name	Shares of Common Stock Beneficially Owned(2)	Percentage of Shares of Common Stock Beneficially Owned(2)
Wheatley Partners II, L.P.	1,572,015	23.0%
Applewood Capital Corp.	0	0%
Barry Rubenstein	5,523,265(3),(4),(5),(6),(7),(8),(9),(10),(11),(12)	52.7%
Irwin Lieber	2,882,382(3),(4),(11),(12),(13)	35.4%
Barry Fingerhut	2,792,978(3),(4),(11),(12),(14)	34.8%

<TABLE>  
<CAPTION>

Name	Shares of Common Stock Beneficially Owned(2)	Percentage of Shares of Common Stock Beneficially Owned(2)
Seth Lieber	2,180,750(3),(4),(11),(12),(15),(16)	29.3%
Jonathan Lieber	2,179,198(3),(4),(11),(12),(16),(17)	29.3%
Woodland Venture Fund	1,305,071(6)	17.1%
Seneca Ventures	946,347(7)	13.0%
Marilyn Rubenstein	3,254,838(4),(6),(7),(8),(9),(10)	34.5%
Woodland Services Corp.	2,251,419(4),(6),(7)	29.5%
Woodland Partners	529,547(8)	7.6%
Brookwood Partners, L.P.	471,696(10)	6.8%
Applegreen Partners	179,555(16)	2.7%
Wheatley Partners, L.P.	377,356(4),(11),(12)	5.5%
Wheatley Foreign Partners, L.P.	377,356(4),(11),(12)	5.5%

- 
- (2) Includes shares of Common Stock issuable upon the exercise of the Advisory Option, the 1996 Advisory Option, the 1998 Directors Option, the June 1999 Directors Option, the October 1999 Directors Option, the December 1999 Directors Option, shares of Common Stock issuable upon the conversion of the Series D Preferred Stock, shares of Common Stock issuable upon the exercise of the Series D Warrants, shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and shares of Common Stock issuable upon the conversion of the Series E Warrants.
  - (3) Includes 1,194,659 shares of Common Stock owned by Wheatley Partners II, L.P, 188,678 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 188,678 shares of Common Stock issuable upon the exercise of the Series E Warrants.
  - (4) The reporting person disclaims beneficial ownership of these securities, except to the extent of his/her/its equity interest therein.
  - (5) Includes 31,040 shares of Common Stock owned individually by Barry Rubenstein, 31,040 shares of Common Stock issuable upon the exercise of the Advisory Option, 18,624 shares of Common Stock issuable upon the exercise of the 1996 Advisory Option, 20,000 shares of Common Stock issuable upon the exercise of the 1998 Directors Option, 10,000 shares of Common Stock issuable upon the exercise of the June 1999 Directors Option, 7,500 shares of Common Stock issuable upon the exercise of the October 1999 Directors Option , 10,000 shares of Common Stock issuable upon the exercise of the December 1999 Directors Option, 840 shares issuable upon the conversion of the Series D Preferred Stock, 1,336 shares issuable upon the exercise of the Series D Warrants, 94,338 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 94,338 shares of Common Stock issuable upon the exercise of the Series E Warrants.
  - (6) Includes 151,628 shares of Common Stock owned by Woodland Venture, 117,550 shares of Common Stock issuable upon the conversion of the Series D Preferred Stock, 186,838 shares of Common Stock issuable

Page 22 of 33

upon the exercise of the Series D Warrants, 424,528 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 424,528 shares of Common Stock issuable upon the exercise of the Series E Warrants.

- (7) Includes 133,780 shares of Common Stock owned by Seneca, 58,774 shares of Common Stock issuable upon the conversion of the Series D Preferred Stock, 93,417 shares of Common Stock issuable upon the exercise of the Series D Warrants, 330,188 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 330,188 shares of Common Stock issuable upon the exercise of the Series E Warrants.
- (8) Includes 58,774 shares of Common Stock issuable upon the conversion of the Series D Preferred Stock, 93,417 shares of Common Stock issuable upon the exercise of the Series D Warrants owned by Woodland Partners, 188,678 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 188,678 shares of Common Stock issuable upon the exercise of the Series E Warrants.
- (9) Includes 840 shares of Common Stock issuable upon the conversion of the Series D Preferred Stock and 1,336 shares of Common Stock issuable upon the exercise of the Series D Warrants owned by Marilyn Rubenstein.

- (10) Includes 235,848 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 235,848 shares of Common Stock issuable upon the exercise of the Series E Warrants owned by Brookwood.
- (11) Includes 173,584 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 173,584 shares of Common Stock issuable upon the exercise of the Series E Warrants owned by Wheatley Partners.
- (12) Includes 15,094 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 15,094 shares of Common Stock issuable upon the exercise of the Series E Warrants owned by Wheatley Foreign.
- (13) Includes 23,280 shares of Common Stock owned individually by Irwin Lieber, 31,040 shares of Common Stock issuable upon the exercise of the Advisory Option, 18,624 shares of Common Stock issuable upon the exercise of the 1996 Advisory Option, 20,000 shares of Common Stock issuable upon the exercise of the 1998 Directors Option, 10,000 shares of Common Stock issuable upon exercise of the June 1999 Directors Option, 7,500 shares of Common Stock issuable upon the exercise of the October 1999 Directors Option, 10,000 shares of Common Stock issuable upon the exercise of the December 1999 Directors Option, 58,774 shares of Common Stock issuable upon the conversion of the Series D Preferred Stock, 93,417 shares of Common Stock issuable upon the exercise of the Series D Warrants, 330,188 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 330,188 shares of Common Stock issuable upon the exercise of the Series E Warrants.
- (14) Includes 31,040 shares of Common Stock owned individually by Barry Fingerhut, 58,774 shares of Common Stock issuable upon the conversion of the Series D Preferred Stock, 93,417 shares of Common Stock issuable upon the exercise of the Series D Warrants, 330,188 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 330,188 shares of Common Stock issuable upon the exercise of the Series E Warrants.
- (15) Includes 4,656 shares of Common Stock owned individually by Seth Lieber, 23,584 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 23,584 shares of Common Stock issuable upon the exercise of the Series E Warrants.
- (16) Includes 14,693 shares of Common Stock issuable upon the conversion of the Series D Preferred Stock, 23,354 shares of Common Stock issuable upon the exercise of the Series D Warrants owned by Applegreen Partners, 70,754 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 70,754 shares of Common Stock issuable upon the exercise of the Series E Warrants.
- (17) Includes 3,104 shares of Common Stock owned individually by Jonathan Lieber, 23,584 shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and 23,584 shares of Common Stock issuable upon the exercise of the Series E Warrants.

(b) Wheatley Partners II has sole power to vote and to dispose of 1,194,659 shares of Common Stock, (including 188,678 shares issuable upon the conversion of the Series E Preferred Stock and 188,678 shares issuable upon the exercise of the Series E Warrants), representing approximately 23.0% of the outstanding Common Stock.

Barry Rubenstein, by virtue of being a general partner of Wheatley Partners II, Woodland Venture, Seneca, Woodland Partners and Brookwood, a member and officer of Wheatley Partners, LLC, and the husband of Marilyn Rubenstein, may be deemed to have shared power to vote and to dispose of 5,204,209 shares of Common Stock (including 235,938 shares issuable upon the conversion of the Series D Preferred Stock, 375,008 shares issuable upon the exercise of the

Series D Warrants, 1,556,598 shares issuable upon the conversion of the Series E Preferred Stock and 1,556,598 shares issuable upon the exercise of the Series E Warrants), representing approximately 51.1% of the outstanding Common Stock. Barry Rubenstein has sole power to vote and to dispose of 319,056 shares of Common Stock (including shares issuable upon the exercise of the Advisory Option, the 1996 Advisory Option, the 1998 Directors Option, the June 1999 Directors Option, the October 1999 Directors Option, the December 1999 Directors Option, 840 shares issuable upon the conversion of the Series D Preferred Stock, 1,336 shares issuable upon the exercise of the Series D Warrants, 94,338 shares issuable upon the conversion of the Series E Preferred Stock and 94,338 shares issuable upon the exercise of the Series E Warrants), representing approximately 4.7% of the outstanding Common Stock.

Irwin Lieber, by virtue of being a general partner of Wheatley Partners II and a member and officer of Wheatley Partners, LLC, may be deemed to have shared power to vote and to dispose of 1,949,371 shares of Common Stock (including 377,356 shares issuable upon the conversion of the Series E Preferred Stock and 377,356 shares issuable upon the exercise of the Series E Warrants), representing approximately 27.0% of the outstanding Common Stock. Irwin Lieber has sole power to vote and to dispose of 933,011 shares of Common Stock (including shares issuable upon the exercise of the Advisory Option, the 1996 Advisory Option, the 1998 Directors Option, the June 1999 Directors Option, the October 1999 Directors Option, the December 1999 Directors Option, 58,774 shares issuable upon the conversion of the Series D Preferred Stock, 93,417 shares issuable upon the exercise of the Series D Warrants, 330,188 shares issuable upon the conversion of the Series E Preferred Stock and 330,188 shares issuable upon the exercise of the Series E Warrants), representing approximately 12.6% of the outstanding Common Stock.

Barry Fingerhut, by virtue of being a general partner of Wheatley Partners II and a member and officer of Wheatley Partners, LLC, may be deemed to have shared power to vote and to dispose of 1,949,371 shares of Common Stock (including 377,356 shares issuable upon the conversion of the Series E Preferred Stock and 377,356 shares issuable upon the exercise of the Series E Warrants), representing approximately 27.0% of the outstanding Common Stock. Barry Fingerhut has sole power to vote and to dispose of 843,607 shares of Common Stock (including 58,774 shares issuable upon the conversion of the Series D Preferred Stock, 93,417 shares issuable upon the exercise of the Series D Warrants, 330,188 shares issuable upon the conversion of the Series E Preferred Stock and 330,188 shares issuable upon the exercise of the Series E Warrants), representing approximately 11.6% of the outstanding Common Stock.

Page 24 of 33

Seth Lieber, by virtue of being a general partner of Wheatley Partners II, L.P. and Applegreen, and a member and officer of Wheatley Partners, LLC, may be deemed to have shared power to vote and to dispose of 2,128,926 shares of Common Stock (including 14,693 shares issuable upon the conversion of the Series D Preferred Stock, 23,354 shares issuable upon the exercise of the Series D Warrants, 448,110 shares issuable upon the conversion of the Series E Preferred Stock and 448,110 shares issuable upon the exercise of the Series E Warrants), representing approximately 28.8% of the outstanding Common Stock. Seth Lieber has sole power to vote and to dispose of 51,824 shares of Common Stock (including 23,584 shares issuable upon the conversion of the Series E Preferred Stock and 23,584 shares issuable upon the exercise of the Series E Warrants), representing approximately 0.8% of the outstanding Common Stock.

Jonathan Lieber, by virtue of being a general partner of Wheatley Partners II, L.P. and managing general partner of Applegreen, and a member and officer of Wheatley Partners, LLC, may be deemed to have shared power to vote and to dispose of 2,128,926 shares of Common Stock (including 14,693 shares issuable upon the conversion of the Series D Preferred Stock, 23,354 shares issuable upon the exercise of the Series D Warrants, 448,110 shares issuable upon the conversion of the Series E Preferred Stock and 448,110 shares issuable upon the exercise of the Series E Warrants), representing approximately 28.8% of the outstanding Common Stock. Jonathan Lieber has sole power to vote and to dispose of 50,272 shares of Common Stock (including 23,584 shares issuable upon the conversion of the Series E Preferred Stock and 23,584 shares issuable upon the exercise of the Series E Warrants), representing approximately 0.8% of the outstanding Common Stock.

Woodland Venture has sole power to vote and to dispose of 1,305,071 shares of Common Stock (including 117,550 shares issuable upon the conversion of the Series D Preferred Stock, 186,838 shares issuable upon the exercise of the Series D Warrants, 424,528 shares issuable upon the conversion of the Series E Preferred Stock and 424,528 shares issuable upon the exercise of the Series E Warrants), representing approximately 17.1% of the outstanding Common Stock.

Seneca has sole power to vote and to dispose of 946,347 shares of Common Stock (including 58,774 shares issuable upon the conversion of the Series D Preferred Stock, 93,417 shares issuable upon the exercise of the Series D Warrants, 330,188 shares issuable upon the conversion of the Series E Preferred Stock and 330,188 shares issuable upon the exercise of the Series E Warrants), representing approximately 13.0% of the outstanding Common Stock.

Marilyn Rubenstein, has sole power to vote and to dispose of 2,176 shares of Common Stock (including of 840 shares issuable upon the conversion of the Series D Preferred Stock and 1,336 shares issuable upon the exercise of the Series D Warrants), representing approximately 0.03% of the outstanding Common Stock, and by virtue of being an officer of Services and a general partner of Woodland Partners and Brookwood, may be deemed to have shared power to vote and to dispose of 3,252,662 shares of Common Stock (including 235,098 shares issuable upon the conversion of the Series D Preferred Stock, 373,672 shares issuable upon the exercise of the Series D Warrants, 1,179,242 shares issuable upon the conversion of the

Page 25 of 33

Series E Preferred Stock and 1,179,242 shares issuable upon the exercise of the Series E Warrants), representing approximately 34.5% of the outstanding Common Stock.

Services by virtue of being a general partner of the Fund and Seneca, may be deemed to have shared power to vote and to dispose of 2,251,419 shares of Common Stock (including 176,324 shares issuable upon the conversion of the Series D Preferred Stock, 280,255 shares issuable upon the exercise of the Series D Warrants, 754,716 shares issuable upon the conversion of the Series E Preferred Stock and 754,716 shares issuable upon the exercise of the Series E Warrants), representing approximately 29.5% of the outstanding Common Stock.

Woodland Partners has sole power to vote and to dispose of 529,547 shares of Common Stock (including of 58,774 shares issuable upon the conversion of the Series D Preferred Stock, 93,417 shares issuable upon the exercise of the Series D Warrants, 188,678 shares issuable upon the conversion of the Series E Preferred Stock and 188,678 shares issuable upon the exercise of the Series E Warrants), representing approximately 7.6% of the outstanding Common Stock.

Applegreen has sole power to vote and to dispose of 179,555 shares of Common Stock (including of 14,693 shares issuable upon the conversion of the Series D Preferred Stock, 23,354 shares issuable upon the exercise of the Series D Warrants, 70,754 shares issuable upon the conversion of the Series E Preferred Stock and 70,754 shares issuable upon the exercise of the Series E Warrants), representing approximately 2.7% of the outstanding Common Stock.

Brookwood has sole power to vote and to dispose of 471,696 shares of Common Stock (including 235,848 shares issuable upon the conversion of the Series E Preferred Stock and 235,848 shares issuable upon the exercise of the Series E Warrants), representing approximately 6.8% of the outstanding Common Stock.

Wheatley Partners has sole power to vote and to dispose of 347,168 shares of Common Stock (including 173,584 shares issuable upon the conversion of the Series E Preferred Stock and 173,584 shares issuable upon the exercise of the Series E Warrants), representing approximately 5.1% of the outstanding Common Stock, and may be deemed to have shared power to vote and to dispose of 30,188 shares of Common Stock (including 15,094 shares issuable upon the conversion of the Series E Preferred Stock and 15,094 shares issuable upon the exercise of the Series E Warrants), representing approximately 0.5% of the outstanding Common Stock.

Wheatley Foreign has sole power to vote and to dispose of 30,188 shares of Common Stock (including 15,094 shares issuable upon the conversion of

the Series E Preferred Stock and 15,094 shares issuable upon the exercise of the Series E Warrants), representing approximately 0.5% of the outstanding Common Stock, and may be deemed to have shared power to vote and to dispose of 347,168 shares of Common Stock (including 173,584 shares issuable upon the conversion of the Series E Preferred Stock and 173,584 shares issuable upon the exercise of the Series E Warrants), representing approximately 5.1% of the outstanding Common Stock.

Wheatley Partners, LLC by virtue of being a general partner of the Wheatley Partners and Wheatley Foreign, may be deemed to have shared power to vote and to dispose of 377,356 shares of Common Stock (including 188,678 shares issuable upon the conversion of the Series E Preferred Stock and 188,678 shares issuable upon the exercise of the Series E Warrants), representing approximately 5.5% of the outstanding Common Stock.

(c) The following is a description of all transactions in shares of Common Stock of the Issuer by the reporting persons identified in Item 2 of this Schedule 13D effected from August 2, 2001 through October 2, 2001, inclusive:

<TABLE>  
<CAPTION>

Name of Shareholder	Number of Shares		Purchase Price (19)
	Purchase Date	Purchased or (Sold) (18)	
<S>	<C>	<C>	<C>
Wheatley Partners II, L.P.	10/02/01	377,356	\$2.12
Wheatley Partners, L.P.	10/02/01	347,168	\$2.12
Wheatley Foreign Partners, L.P.	10/02/01	30,188	\$2.12
Barry Rubenstein	10/02/01	188,676	\$2.12
Irwin Lieber	10/02/01	660,376	\$2.12
Barry Fingerhut	10/02/01	660,376	\$2.12
Seth Lieber	10/02/01	47,168	\$2.12
Jonathan Lieber	10/02/01	47,168	\$2.12
Woodland Venture Fund	10/02/01	849,056	\$2.12
Seneca Ventures	10/02/01	660,376	\$2.12
Woodland Partners	10/02/01	377,356	\$2.12
Brookwood Partners, L.P.	10/02/01	471,696	\$2.12
Applegreen Partners	10/02/01	141,508	\$2.12

</TABLE>

-----

(18) Represents shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and upon the exercise of the Series E Warrants. Each share of Series E Preferred Stock is convertible into two shares of Common Stock, subject to adjustment. Each Series E Warrant is exercisable for one share of Common Stock, subject to adjustment, during the two year period commencing October 2, 2001.

(19) Represents the purchase price of the Series E Preferred Stock together with the Series E Warrants, exclusive of the Series E Warrants

exercise price of \$1.27 per share.

Pursuant to the anti-dilution provisions in the Certificate of Designation of the Series D Preferred Stock and in the Series D Warrants, the issuance of the Series E Preferred Stock and the Series E Warrants results in adjustments in the conversion price of the Series D Preferred Stock and the exercise price of the Series D Warrants, resulting in the Reporting Persons being entitled to additional shares of Common Stock upon the conversion of the Series D Preferred Stock and the exercise of the Series D Warrants as follows:

<TABLE>  
<CAPTION>

Shareholder	Number of Additional Shares of Common Stock acquirable upon conversion of Series D Preferred Stock	Number of Additional Shares of Common Stock acquirable upon the exercise of the Series D Warrants
-----	-----	-----
<S>	<C>	<C>
Barry Rubenstein	344	840
Irwin Lieber	24,085	58,728
Barry Fingerhut	24,085	58,728
Woodland Venture Fund	48,171	117,459
Seneca Ventures	24,085	58,728
Marilyn Rubenstein	344	840
Woodland Partners	24,085	58,728
Applegreen Partners	6,021	14,682

</TABLE>

(d) No other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of such securities.

(e) Not applicable.

#### ITEM 6. Contracts Arrangements Understanding or Relationships with Respect to Securities of the Issuer.

Item 6 is hereby amended by adding the following paragraphs:

Page 28 of 33

Pursuant to the terms of the Series E Offering, so long as the holders of the outstanding shares of Series E Preferred Stock own at least 10% of the voting stock of the Issuer, the affirmative consent of Wheatley Partners II is required prior to the Issuer taking certain actions as described in Section 5 of the Certificate of Designations, Preferences and Other Rights and Qualifications of the Series E Preferred Stock of the Issuer.

The Issuer granted certain registration rights with respect to the shares of Common Stock issuable upon the conversion of the Series E Preferred Stock and exercise of the Series E Warrants (such registration rights are set forth in a Registration Rights Agreement entered into by each of the holders of the Series E Preferred Stock and the Issuer).

#### ITEM 7. Materials to be Filed as Exhibits

Item 7 is hereby amended by adding the following paragraphs:

Exhibit 1. Agreement among the reporting persons, by which they have agreed to file this Schedule 13D and all necessary amendments, as required by Rule 13d-1(f).

Exhibit 2. Securities Purchase Agreement, dated as of October 2, 2001,

between the investors in the Series E Offering and the Issuer (incorporated by reference to the Issuer's Report on Form 8-K, filed on October 12, 2001, Exhibit 10.21).

Page 29 of 33

SIGNATURE

After reasonable inquiry and to the best of his/her/its knowledge and belief, each of the undersigned hereby certifies that the information set forth in this Schedule is true, complete and correct.

Dated: November 8, 2001            WHEATLEY PARTNERS II, L.P.

By: /s/ Irwin Lieber  
-----  
Irwin Lieber, General Partner

APPLEWOOD CAPITAL CORP.

By: /s/ Barry Rubenstein  
-----  
Barry Rubenstein, President

SENECA VENTURES

By: /s/ Barry Rubenstein  
-----  
Barry Rubenstein, General Partner

WOODLAND VENTURE FUND

By: /s/ Barry Rubenstein  
-----  
Barry Rubenstein, General Partner

WOODLAND SERVICES CORP.

By: /s/ Barry Rubenstein  
-----  
Barry Rubenstein, President

/s/ Barry Rubenstein  
-----  
Barry Rubenstein

/s/ Irwin Lieber  
-----  
Irwin Lieber

/s/ Barry Fingerhut  
-----  
Barry Fingerhut

/s/ Marilyn Rubenstein  
-----  
Marilyn Rubenstein

/s/ Seth Lieber  
-----  
Seth Lieber

Page 30 of 33

/s/ Jonathan Lieber  
-----



Jonathan Lieber

WOODLAND PARTNERS

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, General Partner

BROOKWOOD PARTNERS, L.P.

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, General Partner

APPLEGREEN PARTNERS

By: /s/ Jonathan Lieber

-----  
Jonathan Lieber, General Partner

WHEATLEY PARTNERS, L.P.

By: Wheatley Partners, LLC, General Partner

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, CEO

WHEATLEY FOREIGN PARTNERS, L.P.

By: Wheatley Partners, LLC, General Partner

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, CEO

WHEATLEY PARTNERS, LLC

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, CEO

ATTENTION: INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACT CONSTITUTE  
FEDERAL CRIMINAL VIOLATIONS (SEE 18 U.S.C. 1001).

Exhibit 1

JOINT FILING AGREEMENT

In accordance with Rule 13d-1 under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing on behalf of each of them of a statement on Schedule 13D (including amendments thereto) with respect to the Common Stock, \$0.01 par value per share, of Network-1 Security Solutions, Inc. and that this Agreement be included as an Exhibit to such joint filing.

IN WITNESS WHEREOF, the undersigned hereby execute this Agreement effective as of the 2nd day of October, 2001.

WHEATLEY PARTNERS II, L.P.

By: /s/ Irwin Lieber

-----  
Irwin Lieber, General Partner

APPLEWOOD CAPITAL CORP.

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, President

SENECA VENTURES

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, General Partner

WOODLAND VENTURE FUND

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, General Partner

WOODLAND SERVICES CORP.

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, President

/s/ Barry Rubenstein

-----  
Barry Rubenstein

/s/ Irwin Lieber

-----  
Irwin Lieber

Page 32 of 33

/s/ Barry Fingerhut

-----  
Barry Fingerhut

/s/ Marilyn Rubenstein

-----  
Marilyn Rubenstein

/s/ Seth Lieber

-----  
Seth Lieber

/s/ Jonathan Liber

-----  
Jonathan Lieber

WOODLAND PARTNERS

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, General Partner

BROOKWOOD PARTNERS, L.P.

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, General Partner

APPLEGREEN PARTNERS

By: /s/ Jonathan Lieber

-----  
Jonathan Lieber, General Partner

WHEATLEY PARTNERS, L.P.

By: Wheatley Partners, LLC, General Partner

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, CEO

WHEATLEY FOREIGN PARTNERS, L.P.

By: Wheatley Partners, LLC, General Partner

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, CEO

WHEATLEY PARTNERS, LLC

By: /s/ Barry Rubenstein

-----  
Barry Rubenstein, CEO