FORM 4	
Check this box if no	

Check this box if no
longer subject to
Section 16. Form 4 or
Form 5 obligations
may continue. See
Instruction 1(b).

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

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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 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address Hound Partners, Ll	of Reporting Person [*]		2. Issuer Name and NETWORK 1 SEC		-			NSSI]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director X 10% Owner					
101 PARK AVEN		. Date of Earliest Tra 1/31/2008	ansaction (M	fonth/	Day/Yea	r)		Director To/o Owned Officer (give title below) Other (specify below)						
NEW YORK, NY	4	. If Amendment, Da	te Original F	iled(N	Month/Day/?	r'ear)		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)			[Fable I - No	n-De	rivative S	Securitie	s Acqu	ired, Disposed of, or Beneficially Owne	ble) % Owner ther (specify below) ther (specify below) ther (specify below) ther (specify below) ther (specify below) ther (specify below) of Indirect (of Indirect Ownership of Indirect (Instr. 4) (Instr. 4) By Hound Partners Offshore Fund, LF (1) I By Hound Partners, LP (3) By Hound Partners, LP (3) By Hound Partners Offshore Fund, LF (1)				
1.Title of Security (Instr. 3)				3. Transacti Code (Instr. 8)		A. 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)	Ownership Form: Direct (D)	of Indirect Beneficial Ownership			
				Code	v	Amount	(A) or (D)	Price		(I)	(
Common Stock \$.0)1 par value per share	02/01/2008	02/06/2008	Р		29,916	A	\$ 1.34	1,114,766	I	Hound Partners Offshore Fund, LP			
Common Stock \$.0)1 par value per share	04/01/2008	04/04/2008	S ⁽²⁾		24,602	D	\$ 1.16	1,057,215	1	Hound Partners,			
Common Stock \$.0)1 par value per share	04/01/2008	04/04/2008	P <u>(2)</u>		24,602	А	\$ 1.16	1,139,368	I	Hound			

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

	(e.g., puts, calls, warrants, options, convertible securities)														
Security	Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	Code	tion)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisa Expiration Date (Month/Day/Yea	Amount of		8. Price of Derivative Security (Instr. 5) Beneficially Owned Following Reported		Ownership Form of Derivative Security: Direct (D) or Indirect	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	v	(A)	(D)	Date Exercisable	Expiration Date		Amount or Number of Shares		Transaction(s) (Instr. 4)	(1) (Instr. 4)	
Common Stock Warrant (Right to Buy)	\$ 2	01/31/2008	02/05/2008	S <mark>(2)</mark>			7,367	04/16/2007 <u>(4)</u>	04/16/2012	Common Stock	7,367	\$ 0.14	533,541		By Hound Partners, LP (3)
Common Stock Warrant (Right to Buy)	\$ 2	01/31/2008	02/05/2008	P <u>(2)</u>		7,367		04/16/2007 ⁽⁴⁾	04/16/2012	Common Stock	7,367	\$ 0.14	549,792	Ι	By Hound Partners Offshore Fund, LP (1)
Common Stock Warrant (Right to Buy)	\$ 2	04/01/2008	04/04/2008	S <mark>(2)</mark>			12,133	04/16/2007 <u>(4)</u>	04/16/2012	Common Stock	12,133	\$ 0.08	521,408	Ι	By Hound Partners, LP (3)
Common Stock Warrant (Right to Buy)	\$ 2	04/01/2008	04/04/2008	P <u>(2)</u>		12,133		04/16/2007 <mark>(4)</mark>	04/16/2012	Common Stock	12,133	\$ 0.08	561,925	Ι	By Hound Partners Offshore Fund, LP (1)
Common															Ву

Stock Warrant (Right to Buy)	\$ 2	06/02/2008	06/05/2008	<u>S⁽²⁾</u>		36,509	04/16/2007 <mark>(4)</mark>	04/16/2012	Common Stock	36,509	\$ 0.06	484,899	Ι	Hound Partners, LP (3)
Common Stock Warrant (Right to Buy)	\$ 2	06/02/2008	06/05/2008	P <u>(2)</u>	36,509		04/16/2007 ⁽⁴⁾	04/16/2012	Common Stock	36,509	\$ 0.06	598,434	I	By Hound Partners Offshore Fund, LP (1)

Reporting Owners

Benerting Owner Name / Address	Relationships							
Reporting Owner Name / Address	Director	10% Owner	Officer	Other				
Hound Partners, LLC 101 PARK AVENUE 48TH FLOOR NEW YORK, NY 10178		Х						
Hound Performance, LLC 101 PARK AVENUE 48TH FLOOR NEW YORK, NY 10178		х						
AUERBACH JONATHAN A G 215 E 73RD STREET NEW YORK, NY 10021		Х						

Signatures

Hound Partners, LLC, By: /s/ Jonathan Auerbach, Managing Member	08/08/2008
Signature of Reporting Person	Date
Hound Performance, LLC, By: /s/ Jonathan Auerbach, Managing Member	08/08/2008
Signature of Reporting Person	Date
/s/ Jonathan Auerbach	08/08/2008
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).
- The securities may be deemed to be beneficially owned by (a) Hound Performance, LLC, the general partner of Hound Partners Offshore Fund, LP; (b) Hound Partners, LLC, the investment (1) manager of Hound Partners Offshore Fund, LP and (c) Jonathan Auerbach, the managing member of Hound Performance, LLC and Hound Partners, LLC. Each Reporting Person disclaims beneficial ownership in the securities reported on this Form 4 except to the extent of his or its pecuniary interest, if any, therein, and this report shall not be deemed to be an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.
- (2) Re-balancing transactions among related entities over which the Reporting Person may be deemed to have beneficial ownership.
- The securities may be deemed to be beneficially owned by (a) Hound Performance, LLC, the general partner of Hound Partners, LP; (b) Hound Partners, LLC, the investment manager of (3) Hound Partners, LP and (c) Jonathan Auerbach, the managing member of Hound Performance, LLC and Hound Partners, LLC. Each Reporting Person disclaims beneficial ownership in the securities reported on this Form 4 except to the extent of his or its pecuniary interest, if any, therein, and this report shall not be deemed to be an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.
- These are the same Common Stock Warrants referenced in the Form 3 filed on April 26, 2007. The period of exercisability for such Common Stock Warrants was misstated in the Form 3 (4) filed on April 26, 2007 due to a clerical error that is corrected hereby.

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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