

FORM 4

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

| OMB APPROVAL | |
|--|-----------|
| OMB Number: | 3235-0287 |
| Estimated average burden hours per response... | 0.5 |

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

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

(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) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) CEO and Chairman | |
| (Last) (First) (Middle) C/O CMH CAPITAL MANAGEMENT CORP., 445 PARK AVENUE, SUITE 1028 | | 3. Date of Earliest Transaction (Month/Day/Year) 12/29/2006 | | | |
| (Street) NEW YORK, NY 10022 | | 4. If Amendment, Date Original Filed(Month/Day/Year) | | 6. Individual or Joint/Group Filing(Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> 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) |
|---|---|---|-----------------------------------|---|--|------------|-------|--|---|--|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, \$.01 par value per share | 12/29/2006 | | G | | 37,500 | D | (1) | 381,303 | D (1) | |
| Common Stock, \$.01 par value per share | 12/29/2006 | | G | | 12,500 | A | (1) | 42,500 | I | By Custodian for Child (1) |
| Common Stock, \$.01 par value per share | 12/29/2006 | | G | | 12,500 | A | (1) | 42,500 | I | By Trust (1) |
| Common Stock, \$.01 par value per share | 12/29/2006 | | G | | 12,500 | A | (1) | 42,500 | I | By Trust (1) |

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. SEC 1474 (9-02)

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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--|---|---|-----------------------------------|---|--|---|-----|--|---|---|---|---|
| | | | | Code | V | | (A) | (D) | | | | | |

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 1028 NEW YORK, NY 10022 | X | X | CEO and Chairman | |
| CMH CAPITAL MANAGEMENT CORP 445 PARK AVENUE, SUITE 1028 NEW YORK, NY 10022 | | X | | |

Signatures

By: /s/ Corey M. Horowitz

01/04/2007

 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) On December 29, 2006, Mr. Horowitz transferred by gift an aggregate of 37,500 shares to two trusts and a custodian account for the benefit of his three children.

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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