

FORM 4

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

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).

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 * 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) Director _____ X 10% Owner _____ Officer (give title below) _____ Other (specify below) _____		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 04/01/2010					
101 PARK AVENUE, 48TH FLOOR			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 _____		
(Street)								
NEW YORK, NY 10178								
(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	04/01/2010	04/01/2010	S(1)		244,230	D	\$ 0.93	812,985	I	By Hound Partners, LP (2)
Common Stock \$.01 par value per share	04/01/2010	04/01/2010	p(1)		21,385	A	\$ 0.93	1,160,753	I	By Hound Partners Offshore Fund, LP (3)
Common Stock \$.01 par value per share	04/01/2010	04/01/2010	p(1)		222,845	A	\$ 0.93	222,845	I	By Hound Partners, LLC (4)

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)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Common Stock Warrant (Right to Buy)	\$ 2.00	04/01/2010	04/01/2010	S(1)		83,943		04/16/2007	04/16/2012	Common Stock	83,943	\$ 0.0037	400,957 (5)	I	By Hound Partners, LP (2)
Common Stock Warrant (Right to Buy)	\$ 2.00	04/01/2010	04/01/2010	S(1)		25,962		04/16/2007	04/16/2012	Common Stock	25,962	\$ 0.0037	572,472	I	By Hound Partners Offshore Fund, LP (3)
Common Stock Warrant (Right to Buy)	\$ 2	04/01/2010	04/01/2010	p(1)		109,905		04/16/2007	04/16/2012	Common Stock	109,905	\$ 0.0037	109,905	I	By Hound Partners, LLC (4)

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 48TH FLOOR NEW YORK, NY 10178		X		
AUERBACH JONATHAN A G 101 PARK AVENUE 48TH FLOOR NEW YORK, NY 10178		X		

Signatures

Hound Partners, LLC, By: /s/ Jonathan Auerbach, Managing Member		04/09/2010
<small>Signature of Reporting Person</small>		<small>Date</small>
Hound Performance, LLC, By: /s/ Jonathan Auerbach, Managing Member		04/09/2010
<small>Signature of Reporting Person</small>		<small>Date</small>
/s/ Jonathan Auerbach		04/09/2010
<small>Signature of Reporting Person</small>		<small>Date</small>

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) 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 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.

(3) 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 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.

(4) The securities may be deemed to be beneficially owned by (a) Hound Partners, LLC (b) a separately managed account managed by Hound Partners, LLC and (c) Jonathan Auerbach, the managing member of 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.

(5) The number of derivative securities beneficially owned following a reported transaction was misstated in the prior Form 4 (filed on August 8, 2008). The number reported as 484,899 was actually 484,900. This misstatement is hereby corrected.

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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