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

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

### STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

ations . See Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment (h) Company Act of 1940

(Print or Type Responses)											
1. Name and Address of Reporting P LIEBER SETH	2. Issuer Name an NETWORK 1 S [NSSI.PK]					5. Relationship of Reporting Person (Check all appli DirectorX		below)			
80 CUTTERMILL ROAD, SU	3. Date of Earliest 7 04/13/2004	Transaction	(Moi	nth/Day/Ye	ear)						
(Street) GREAT NECK, NY 11021	4. If Amendment, I	Date Origina	al File	ed(Month/Day	/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_Form filed by One Reporting Person Form filed by More than One Reporting Person					
(City) (State)	(Zip)		Table I - N	on-D	erivative S	Securitie	es Acq	ired, Disposed of, or Beneficially Owned			
1. Title of Security     2. Transaction       (Instr. 3)     Date       (Month/Day/Year		2A. Deemed Execution Date, if any (Month/Day/Year)	(Instr. 8)		(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	Beneficial	
		(Wohlly Day Tear)	Code	v	Amount	(A) or (D)	Price		or Indirect (I) (Instr. 4)		
Common Stock	04/13/2004		ј <u>(1)</u>		29,480	А	<u>(1)</u>	34,136	D		
Common Stock	04/13/2004		<u>ј(1)</u>		235,848	А	<u>(1)</u>	1,430,507	I <u>(2)</u>	By Wheatley Partners II, L.P.	
Common Stock	04/13/2004		J <u>(1)</u>		216,980	A	<u>(1)</u>	216,980	I ( <u>2)</u>	By Wheatley Partners, L.P.	
Common Stock	04/13/2004		J <u>(1)</u>		18,868	A	<u>(1)</u>	18,868	I (2)	By Wheatley Foreign Partners, L.P.	
Common Stock	04/13/2004		J <u>(1)</u>		18,366	А	<u>(1)</u>	18,366	I <u>(2)</u>	By Applegreen Partners	
Common Stock	04/13/2004		<u>ј(1)</u>		88,443	А	<u>(1)</u>	106,809	I <u>(2)</u>	By Applegreen Partners	

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

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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)	Code	)	of Der Secu Acq (A) Disp (D)	bosed of tr. 3, 4,		n Date of Underlying Year) Securities (Instr. 3 and 4)		Derivative Security (Instr. 5)	Securities Beneficially Owned Following Reported Transaction(s)	Ownership Form of Derivative Security: Direct (D) or Indirect	Beneficial	
				Code	v	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Series E Convertible Preferred Stock	; <u>(1)</u>	04/13/2004		յ <u>(1)</u>			11,792	<u>(3)</u>	<u>(4)</u>	Common Stock	29,480	<u>(1)</u>	0	D	
Series E Convertible Preferred Stock	; <u>(1)</u>	04/13/2004		յ <u>(1)</u>			94,339	<u>(3)</u>	<u>(4)</u>	Common Stock	235,848	<u>(1)</u>	0	I <u>(2)</u>	By Wheatley Partners II, L.P.
Series E Convertible Preferred Stock	<u>(1)</u>	04/13/2004		յ <u>(1)</u>			86,792	<u>(3)</u>	<u>(4)</u>	Common Stock	216,980	<u>(1)</u>	0	I <u>(2)</u>	By Wheatley Partners, L.P.
Series E															Ву

Convertible Preferred Stock	<u>(1)</u>	04/13/2004	<u>ј(1)</u>	7,547	<u>(3)</u>	<u>(4)</u>	Common Stock	18,868	<u>(1)</u>	0	I <u>(2)</u>	Wheatley Foreign Partners,
Series D Convertible Preferred Stock	<u>(1)</u>	04/13/2004	J <u>(1)</u>	8,672	<u>(3)</u>	<u>(4)</u>	Common Stock	18,366	<u>(1)</u>	0	I <u>(2)</u>	L.P. By Applegreen Partners
Series E Convertible Preferred Stock	<u>(1)</u>	04/13/2004	ј <u>(1)</u>	35,377	<u>(3)</u>	<u>(4)</u>	Common Stock	88,443	<u>(1)</u>	0	I <u>(2)</u>	By Applegreen Partners

# **Reporting Owners**

	Relationships								
Reporting Owner Name / Address	Director	10% Owner	Officer	Other					
LIEBER SETH 80 CUTTERMILL ROAD, SUITE 302 GREAT NECK, NY 11021		Х							

# Signatures

/s/ Seth Lieber	04/14/2004
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) Pursuant to an Exchange Agreement by and among the Company and the holders of the Company's Series D Convertible Preferred Stock and Series E Convertible Preferred Stock, the Series D Convertible Preferred Stock and Series E Convertible Preferred Stock owned by the Reporting Person were exchanged for shares of Common Stock.
- (2) The reporting person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.

(3) The Series D Convertible Preferred Stock and the Series E Convertible Preferred Stock became convertible upon issuance.

(4) The Series D Convertible Preferred Stock and the Series E Convertible Preferred Stock do not have an expiration date.

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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