

GRAIFMAN ROBERT

Form 4

January 03, 2008

**FORM 4**
**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287

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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,  
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

 1. Name and Address of Reporting Person \*  
**GRAIFMAN ROBERT**

 2. Issuer Name and Ticker or Trading Symbol  
**NETWORK 1 SECURITY SOLUTIONS INC [NSSI.OB]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

 3. Date of Earliest Transaction  
 (Month/Day/Year)

☒ Director ☐ 10% Owner  
☐ Officer (give title below) ☐ Other (specify below)

**C/O SKYFARM MANAGEMENT, LLC, 31 GROSVENOR ROAD**

4. If Amendment, Date Original Filed(Month/Day/Year)

 6. Individual or Joint/Group Filing(Check Applicable Line)  
☒ Form filed by One Reporting Person  
☐ Form filed by More than One Reporting Person

(Street)

**SHORT HILLS, NJ 07078**

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
|                                 |                                      |                                                    |                                | (A) or (D)                                                        |                                                                                               |                                                          |                                   |
|                                 |                                      |                                                    | Code                           | V                                                                 | Amount                                                                                        | (D)                                                      | Price                             |

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

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 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 | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Securities |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|-----------------------------------------|----------------------------------------------|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|-----------------------------------------|----------------------------------------------|

## Edgar Filing: GRAIFMAN ROBERT - Form 4

| Security<br>(Instr. 3)                | or Exercise<br>Price of<br>Derivative<br>Security | any<br>(Month/Day/Year) | Code<br>(Instr. 8) | Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | (Month/Day/Year) | (Instr. 3 and 4) |                           |                    |                 |                                     |  |  |
|---------------------------------------|---------------------------------------------------|-------------------------|--------------------|--------------------------------------------------------------------------------|------------------|------------------|---------------------------|--------------------|-----------------|-------------------------------------|--|--|
|                                       |                                                   |                         | Code               | V                                                                              | (A)              | (D)              | Date Exercisable          | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of Shares |  |  |
| Common<br>Stock<br>Purchase<br>Option | \$ 1.45                                           | 01/02/2008              | A                  |                                                                                | 25,000           |                  | 01/02/2008 <sup>(1)</sup> | 01/02/2013         | Common<br>Stock | 25,000                              |  |  |
| Common<br>Stock<br>Purchase<br>Option | \$ 1.45                                           | 01/02/2008              | A                  |                                                                                | 25,000           |                  | 01/02/2008 <sup>(2)</sup> | 01/02/2013         | Common<br>Stock | 25,000                              |  |  |

## Reporting Owners

| Reporting Owner Name / Address                                                               | Relationships |           |         |       |
|----------------------------------------------------------------------------------------------|---------------|-----------|---------|-------|
|                                                                                              | Director      | 10% Owner | Officer | Other |
| GRAIFMAN ROBERT<br>C/O SKYFARM MANAGEMENT, LLC<br>31 GROSVENOR ROAD<br>SHORT HILLS, NJ 07078 | X             |           |         |       |

## Signatures

By: /s/ Robert Graifman 01/02/2008

\_\_\_\_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).
- (1) On January 2, 2008, Mr. Graifman was issued five year options to purchase 25,000 shares at an exercise price per share of \$1.45, which options immediately vest.
- (2) On January 2, 2008, Mr. Graifman was issued a five year option to purchase 25,000 shares at an exercise price per share of \$1.45, which options vest on a monthly basis over a one year period subject to Mr. Graifman continuing to serve as a member of the Board of Directors.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.