

FIRST NEW YORK SECURITIES LLC /NY  
Form SC 13G/A  
February 14, 2006

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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Under the Securities Exchange Act of 1934

SCHEDULE 13G

AMENDMENT NO.1

INFORMATION STATEMENT PURSUANT TO RULES 13d-1 AND 13d-2  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

Network-1 Security Solutions, Inc.  
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(Name of Issuer)

Common Stock, par value \$0.01 per share  
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(Title of Class of Securities)

64121N-10-9  
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(CUSIP Number)

December 31, 2005  
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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

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SCHEDULE 13G

CUSIP No. 98975L108

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1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

First New York Securities L.L.C.

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3) SEC USE ONLY

4) CITIZENSHIP OR PLACE OF ORGANIZATION

New York

5) SOLE VOTING POWER  
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 905,410

6) SHARED VOTING POWER  
0

7) SOLE DISPOSITIVE POWER  
905,410

8) SHARED DISPOSITIVE POWER  
0

9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

905,410

10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.1%

12) TYPE OF REPORTING PERSON

BD

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SCHEDULE 13G

CUSIP No. 98975L108

1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

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Steven Heinemann

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3) SEC USE ONLY

4) CITIZENSHIP OR PLACE OF ORGANIZATION

United States

5) SOLE VOTING POWER  
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 361,100

6) SHARED VOTING POWER  
0

7) SOLE DISPOSITIVE POWER  
361,100

8) SHARED DISPOSITIVE POWER  
540,410

9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
901,510

10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
5.0%

12) TYPE OF REPORTING PERSON  
IN

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SCHEDULE 13G

CUSIP No. 98975L108

1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
Doug Lipton

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

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3) SEC USE ONLY

4) CITIZENSHIP OR PLACE OF ORGANIZATION

United States

5) SOLE VOTING POWER  
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 146,200

6) SHARED VOTING POWER  
0

7) SOLE DISPOSITIVE POWER  
146,200

8) SHARED DISPOSITIVE POWER  
540,410

9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

686,610

10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

3.9%

12) TYPE OF REPORTING PERSON

IN

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SCHEDULE 13G

CUSIP No. 98975L108

1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Jay Goldstein

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)   
(b)

3) SEC USE ONLY

4) CITIZENSHIP OR PLACE OF ORGANIZATION

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United States

|              |    |  |                          |
|--------------|----|--|--------------------------|
|              | 5) | SOLE VOTING POWER  |                          |
| NUMBER       |    | 96,500   |                          |
| OF           |    |  |                          |
| SHARES       | 6) | SHARED VOTING POWER  |                          |
| BENEFICIALLY |    | 0  |                          |
| OWNED BY     |    |  |                          |
| EACH         | 7) | SOLE DISPOSITIVE POWER   |                          |
| REPORTING    |    | 96,500   |                          |
| PERSON       |    |  |                          |
| WITH         | 8) | SHARED DISPOSITIVE POWER   |                          |
|              |    | 359,000  |                          |
| 9)           |    | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON         |                          |
|              |    | 455,500  |                          |
| 10)          |    | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES | <input type="checkbox"/> |
| 11)          |    | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)                    |                          |
|              |    | 2.6%   |                          |
| 12)          |    | TYPE OF REPORTING PERSON   |                          |
|              |    | BD   |                          |

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Schedule 13G

Item 1(a). Name of Issuer:

Network-1 Security Solutions, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

445 Park Avenue, Suite 1028  
New York, New York 10022

Item 2(a). Name of Person Filing:

- (1) First New York Securities L.L.C. ("FNYS")
- (2) Steven Heinemann. Mr. Heinemann is a Managing Member of FNYS.
- (3) Doug Lipton. Mr. Lipton is a Member of FNYS.
- (4) Jay Goldstein. Mr. Goldstein is a Member of FNYS.

Item 2(b). Address of Principal Business Office or, if None, Residence:

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- (1) First New York Securities L.L.C. 850 Third Avenue, 17th Floor  
New York, NY 10022
- (2) Steven Heinemann c/o First New York Securities L.L.C.  
850 Third Avenue, 8th Floor  
New York, NY 10022
- (3) Doug Lipton c/o First New York Securities L.L.C.  
850 Third Avenue, 8th Floor  
New York, NY 10022
- (4) Jay Goldstein c/o First New York Securities L.L.C.  
850 Third Avenue, 8th Floor  
New York, NY 10022

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Item 2(c). Citizenship:

- (1) First New York Securities L.L.C. New York
- (2) Steven Heinemann United States
- (3) Doug Lipton United States
- (4) Jay Goldstein United States

Item 2(d). Title of Class of Securities:

Common Stock, par value \$.01 per share

Item 2(e). CUSIP Number:

64121N-10-9

Item 3. If this statement is filed pursuant to ss.ss. 240.13d-1(b), or 240.13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or Dealer Registered Under Section 15 of the Act (15 U.S.C. 78o)
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c)
- (c)  Insurance Company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c)
- (d)  Investment Company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8)
- (e)  Investment Adviser in accordance with ss. 240.13d-1(b)(1)(ii)(E)
- (f)  Employee benefit plan or endowment fund in accordance with ss. 240.13d-1(b)(1)(ii)(F)
- (g)  Parent Holding Company or control person in accordance with ss.240.13d-1(b)(ii)(G)

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- (h)  Savings Association as defined in ss.3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813)
- (i)  Church plan that is excluded from the definition of an investment company under ss.3(c)(15) of the Investment Company Act of 1940 (15 U.S.C. 80a-3)
- (j)  Group, in accordance with ss.240.13d-1(b)(ii)(J)

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Item 4. Ownership.

- (a) Amount beneficially owned:
  - (1) First New York Securities L.L.C. 905,410
  - (2) Steven Heinemann 901,510 (1)
  - (3) Doug Lipton 686,610 (2)
  - (4) Jay Goldstein 455,500
- (b) Percent of class: (3)
  - (1) First New York Securities L.L.C. 5.1%
  - (2) Steven Heinemann 5.0%
  - (3) Doug Lipton 3.9%
  - (4) Jay Goldstein 2.6%
- (c) Number of shares as to which such person has:
  - (i) Sole power to vote or to direct the vote:
    - (1) First New York Securities L.L.C. 905,410
    - (2) Steven Heinemann 186,100
    - (3) Doug Lipton 146,200
    - (4) Jay Goldstein 96,500

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(1) Includes 100,000 restricted shares and 75,000 warrants.

(2) Includes shares held by Lucia Marie Smith (Doug Lipton's wife).

(3) Percentages are based on 17,697,572 shares of Common Stock outstanding (as set forth on the Issuer's Form 10-KSB/A, filed on November 23, 2005 with the Securities and Exchange Commission).

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|       |  |             |
|-------|--|-------------|
| (ii)  | Shared power to vote or to direct the vote:              |             |
| (1)   | First New York Securities L.L.C.                         | 0           |
| (2)   | Steven Heinemann   | 0           |
| (3)   | Doug Lipton  | 0           |
| (4)   | Jay Goldstein  | 0           |
| (iii) | Sole power to dispose or to direct the disposition of:   |             |
| (1)   | First New York Securities L.L.C.                         | 905,410     |
| (2)   | Steven Heinemann   | 186,100     |
| (3)   | Doug Lipton  | 146,200     |
| (4)   | Jay Goldstein  | 96,500      |
| (iv)  | Shared power to dispose or to direct the disposition of: |             |
| (1)   | First New York Securities L.L.C.                         | 0           |
| (2)   | Steven Heinemann   | 540,410 (4) |
| (3)   | Doug Lipton  | 540,410 (4) |
| (4)   | Jay Goldstein  | 359,000 (4) |

Item 5. Ownership of Five Percent or Less of a Class.

Not Applicable.

(4) Includes shares owned by First New York Securities L.L.C. as to which the reporting person may be deemed to share dispositive power.

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Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

Not Applicable.

Item 8. Identification and Classification of Members of the Group.

Not Applicable.

Item 9. Notice of Dissolution of Group.

Not Applicable.



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Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

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After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: February 14, 2006

FIRST NEW YORK SECURITIES L.L.C.

By: /s/ Mario Maugeri

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Name: Mario Maugeri

Title: Director of Operations

/s/ Steven Heinemann

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Steven Heinemann

/s/ Doug Lipton

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Doug Lipton

/s/ Jay Goldstein

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Jay Goldstein

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Exhibit 1

AGREEMENT OF JOINT FILING

Pursuant to rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned persons hereby agree to file with the Securities and Exchange Commission the Statement on Schedule 13G (the "Statement") to which this Agreement is attached as an exhibit, and agree that

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such Statement, as so filed is on the behalf of each of them.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of February 14, 2006.

FIRST NEW YORK SECURITIES L.L.C.

By: /s/ Mario Maugeri

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Name: Mario Maugeri  
Title: Director of Operations

/s/ Steven Heinemann

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Steven Heinemann

/s/ Doug Lipton

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Doug Lipton

/s/ Jay Goldstein

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Jay Goldstein

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