NETWORK 1 TECHNOLOGIES INC
Form DEF 14A
July 20, 2015

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material under §240.14a-12

Network-1 Technologies, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Network-1 Technologies, Inc.
445 Park Avenue, Suite 912
New York, New York 10022

July 24, 2015

Dear Fellow Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Network-1 Technologies, Inc. (the "Company") which will be held on September 10, 2015, at 10:00 A.M. (local time), at the offices of Eiseman Levine Lehrhaupt & Kakoyiannis, P.C., 805 Third Avenue, 10th Floor, New York, New York 10022.

The Notice of Annual Meeting and Proxy Statement, which follow, describe the business to be conducted at the meeting.

Your vote is very important. Whether or not you plan to attend the meeting in person, we appreciate a prompt submission of your vote. We hope to see you at the meeting.

Cordially,

Corey M. Horowitz
Chairman and Chief Executive Officer

NETWORK-1 TECHNOLOGIES, INC.
445 Park Avenue, Suite 912
New York, New York 10022

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON SEPTEMBER 10, 2015

To the Stockholders of Network-1 Technologies, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Network-1 Technologies, Inc. (the "Company") will be held on Thursday, September 10, 2015, at 10:00 A.M. (local time), at the offices of Eiseman Levine Lehrhaupt & Kakoyiannis, P.C., 10th Floor, 805 Third Avenue, New York, New York 10022.

1. To elect five directors to serve until the next Annual Meeting of Stockholders and until their respective successors have been duly elected and qualified (Proposal 1);

2. To approve, by non-binding advisory vote, the resolution approving named executive officer compensation ("Say on Pay Vote") (Proposal 2);

3. To ratify the appointment of Friedman LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015 (Proposal 3); and

4. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only stockholders of record at the close of business on July 15, 2015 are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof.

Your Board of Directors believes that the election of the nominees specified in the accompanying proxy statement as directors at the Annual Meeting is in the best interest of the Company and its stockholders and, accordingly, unanimously recommends a vote "FOR" such nominees. The Board of Directors recommends that you vote "FOR" the Say on Pay Vote. Further, the Board of Directors recommends that you vote “FOR” ratifying the appointment of Friedman LLP as the Company’s independent registered public accounting firm.

By Order of the Board of Directors,

July 24, 2015 David Kahn
Chief Financial Officer and Secretary

PLEASE NOTE THAT ATTENDANCE AT THE ANNUAL MEETING WILL BE LIMITED TO STOCKHOLDERS OF NETWORK-1 TECHNOLOGIES, INC. AS OF THE RECORD DATE (OR THEIR AUTHORIZED REPRESENTATIVES) HOLDING EVIDENCE OF OWNERSHIP. IF YOUR SHARES ARE HELD BY A BANK OR BROKER, PLEASE BRING TO THE MEETING YOUR BANK OR BROKER STATEMENT EVIDENCING YOUR BENEFICIAL OWNERSHIP OF NETWORK-1 TECHNOLOGIES, INC. STOCK TO GAIN ADMISSION TO THE MEETING.

NETWORK-1 TECHNOLOGIES, INC.
PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON SEPTEMBER 10, 2015

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors ("Board") of Network-1 Technologies, Inc. (the "Company", "Network-1", "we", "us", or "our") for use at the Annual Meeting of Stockholders (the "Annual Meeting") to be held on September 10, 2015, including any adjournment or adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting.

Management intends to mail this proxy statement and the accompanying form of proxy to stockholders on or about July 24, 2015.

Proxies in the accompanying form duly executed and returned to the management of the Company and not revoked, will be voted at the Annual Meeting. Any proxy given pursuant to such solicitation may be revoked by the stockholder at any time prior to the voting of the proxy by a subsequently dated proxy, by written notification to the Secretary of the Company, or by personally withdrawing the proxy at the meeting and voting in person.

The address and telephone number of the principal executive offices of the Company are:

445 Park Avenue, Suite 912
New York, New York 10022
Telephone No.:
(212) 829-5770

If your shares are held in street name through a broker, bank, or other nominee, you need to contact the record holder of your shares regarding how to revoke your proxy.

At the Annual Meeting, the stockholders of the Company will vote on proposals (1) to elect five individuals to serve as directors, (2) to approve by non-binding advisory vote the resolution on named executive compensation, (3) to ratify the appointment of Friedman LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2015 and (4) any other matters properly brought before the Annual Meeting or any adjournment or adjournments thereof.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on September 10, 2015: This Proxy Statement and the Company's Annual Report to Stockholders are available for review on the Internet at http://www.network-1.com./sec/proxy2015/.

Your Vote is Important

Please vote as promptly as possible by signing, dating and returning the enclosed Proxy Card. You may also vote by attending the Annual Meeting and voting in person.

OUTSTANDING STOCK AND VOTING RIGHTS

Only holders of the Company's common stock (the “Common Stock”) at the close of business on July 15, 2015 (the "Record Date") are entitled to receive notice of and to vote at the Annual Meeting. As of the Record Date, the Company had 23,311,485 shares of Common Stock outstanding. Each share of Common Stock is entitled to one vote on all matters. There are no cumulative voting rights.

VOTING PROCEDURES

The directors will be elected by the affirmative vote of the holders of a plurality of the shares of Common Stock that are present in person or represented by proxy at the Annual Meeting, provided a quorum is present. Therefore, the nominees receiving the greatest number of votes cast at the meeting will be elected as directors of the Company. All other matters at the Annual Meeting will be decided by the affirmative vote of the holders of a majority of the votes represented by the shares of Common Stock cast with respect thereto, provided a quorum is present. A quorum is present if, as of the Record Date, at least a majority of the outstanding shares entitled to vote at the Annual Meeting are present in person or represented by proxy at the Annual Meeting.

Votes will be counted and certified by one or more Inspectors of Election who are expected to be either an employee of American Stock Transfer & Trust Company, LLC, the transfer agent for the Common Stock, or a representative of the Company's legal counsel. In accordance with Delaware law, abstentions and "broker non-votes" (i.e., proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other person entitled to vote shares as to a matter with respect to which the brokers or nominees do not have discretionary power to vote) will be treated as present for purposes of determining the presence of a quorum. Abstentions and broker non-votes will have no effect on the election of directors because directors will be elected by the affirmative vote of the holders of a plurality of the shares of Common Stock that are present in person or represented by proxy at the Annual Meeting. For purposes of determining approval of the non-binding Say on Pay Vote (Proposal 2) and the ratification of Friedman LLP as the Company’s independent registered public accounting firm (Proposal 3), abstentions will be deemed present and entitled to vote and will, therefore, have the same legal effect as a vote "against" such matters. Broker non-votes will be deemed not entitled to vote on Proposals 1 and 2 as to which the non-vote is indicated and will, therefore, have no legal effect on the vote on such matter.

Proxies will be voted in accordance with the instructions thereon. Unless otherwise stated, all shares represented by a proxy will be voted as instructed. If a proxy is executed but no instructions as to how to vote are given, the persons named as proxies in the accompanying proxy card intend to vote to ratify the appointment of Friedman LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015 (Proposal 3). Broker non-votes are entitled to vote on “routine” matters as to which the none-vote is indicated such as the ratification of the appointment of Friedman LLP as the Company’s independent registered public accounting (Proposal 3). The election of directors and the non–binding Say on Pay Vote to be voted upon at this meeting are considered "non-routine" and brokers may not vote such matters in their discretion in the absence of specific instructions from the beneficial owner.

PROPOSAL 1
ELECTION OF DIRECTORS

The Company's bylaws provide that at each annual meeting of stockholders, directors shall be elected to hold office until the expiration of the term for which they are elected, and until their respective successors are duly elected and qualified or until the director's earlier resignation or removal. The Company's Board of Directors has fixed the number of members of the Board of Directors at five members.

At the Annual Meeting, proxies granted by stockholders will be voted individually for the election, as directors of the Company, of the five persons listed below, unless a proxy specifies that it is not to be voted in favor of a nominee for director. In the event any of the nominees listed below is unable to serve, it is intended that the proxy will be voted for such other nominees as are designated by the Board of Directors. Each of the persons named below of whom all are presently members of the Company's Board of Directors, has indicated to the Board of Directors of the Company that he or she will be available to serve.

All nominees have been recommended by the Company's Nominating and Corporate Governance Committee.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ELECTION OF THE NOMINEES SPECIFIED BELOW.

The following table sets forth the name and age of the nominees for election at this Annual Meeting and the length of continuous service as a director of the Company. Also included below the table is information each director has given us about all positions he or she holds, the director's principal occupation and business experience for at least the past five years, and the names of other publicly-held companies of which he or she currently serves as a director or has served as a director during the past five years. In addition to the information presented below regarding each director's specific experience, qualifications, attributes and skills that led our Board to the conclusion that he or she should serve as a director, we also believe that all of our directors have a reputation for integrity, honesty and adherence to high ethical standards. They have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to Network-1 and our Board.

NAME	AGE	POSITION	DIRECTOR SINCE
Corey M. Horowitz	60	Chairman, Chief Executive Officer and Chairman of the Board of Directors	April 1994
David C. Kahn	63	Chief Financial Officer, Secretary and a Director	April 2012
Emanuel Pearlman	55	Director	January 2012
Niv Harizman	51	Director	December 2012
Allison Hoffman	44	Director	December 2012

Corey M. Horowitz became our Chairman and Chief Executive Officer in December 2003. Mr. Horowitz has also served as Chairman of our Board of Directors since January 1996 and has been a member of our Board of Directors since April 1994. During the period June 2001 through December 2003, CMH Capital Management Corp., an entity solely owned by Mr. Horowitz, rendered financial advisory services to us. We believe Mr. Horowitz's qualifications to serve on our Board of Directors include his significant experience and expertise as an executive in the intellectual property field, his understanding of our intellectual property and the patent acquisition, licensing and enforcement business combined with his private equity and corporate transactional experience.

David C. Kahn, CPA, became our Chief Financial Officer in January 2004 and our Secretary in August 2012. Mr. Kahn was elected to our Board in April 2012. Since December 1989, Mr. Kahn has provided accounting and tax services on a consulting basis to private and public companies. From August 2000 until August 2012, Mr. Kahn served as a full-time faculty member of Yeshiva University in New York. We believe Mr. Kahn's qualifications to serve on our Board include his background and expertise in accounting and tax matters.

Emanuel Pearlman became a director of our company in January 2012. Mr. Pearlman currently serves as Chairman and CEO of Liberation Investment Group, LLC, a New York based investment management and financial consulting firm, a position he has held since January 2003. Since September 2010 to the present, he has served as Chairman of the Board of Empire Resorts, Inc. (NASDAQ: NYNY), having first been elected to the Board of Directors in May 2010. Mr. Pearlman also currently serves on the Audit, Compensation, Corporate Governance and Regulatory Compliance Committees of Empire Resorts, Inc. and also as Chairman of its Strategic Development Committee. From January 2012 to January 2013, Mr. Pearlman served on the board of directors of Dune Energy, Inc. (OTCBB: DUNR.OB) as Chairman of the Nominating and Governance Committee. From October 2006 to March 2010, Mr. Pearlman served on the board of directors of Multimedia Games, Inc. (NASDAQ: MGAM). Mr. Pearlman was previously a director of Network-1 from December 1999 to December 2002. We believe Mr. Pearlman's qualifications to serve on our Board include his significant investment and financial experience and expertise combined with his Board experience.

Niv Harizman became a director of our company in December 2012. Mr. Harizman is a Managing Member of Tyto Capital Partners LLC, a private investment firm specializing in debt and equity investments in middle market companies and special situations, a position he has held since August 2010. Since March 2010, Mr. Harizman has also been the Managing Member of NHK Partners LLC, an entity that makes private investments and provides consulting services. Since November 2013, Mr. Harizman has been affiliated with Riverside Management Group, a merchant banking firm, and BCW Securities LLC, its affiliated broker-dealer. From May 2005 to March 2010, Mr. Harizman was a Founding Partner and Head of Corporate Finance at Plainfield Asset Management LLC, which was a privately held registered investment adviser focused on alternative investments. From May 2000 until May 2005, Mr. Harizman was a member of the Mergers & Acquisitions Group of Credit Suisse First Boston LLC where he was a Managing Director from 2001-2005 and a Director from 2000 to 2001. From 1995 until 2000, Mr. Harizman was employed by Bankers Trust and its successors including BT Alex. Brown Incorporated and Deutsche Bank in various investment banking positions in the Mergers & Acquisitions Group and Leveraged Finance Group. We believe Mr. Harizman's qualifications to serve on our Board include his significant investment and financial transactional experience and expertise.

Allison Hoffman became a director of our company in December 2012. Since September 2013, Ms. Hoffman has served as Executive Vice President, General Counsel and Corporate Secretary of Martha Stewart Living Omnimedia, Inc. (NYSE:MSO), a media and merchandising company providing consumers with high quality life style content and products. From December 2012 until September 2013, she provided legal services to Martha Stewart Living Omnimedia, Inc. From June 1999 to September 2012, Ms. Hoffman was employed by ALM Media, LLC, a leading provider of specialized news and information for the legal and commercial real estate sectors, as Senior Vice President, Chief Legal Officer and Secretary (January 2007 – September 2012), Vice President, General Counsel and Secretary (August 2001 to December 2006) and Assistant General Counsel (June 1999 – July 2001). From 1995 to 1999, Ms. Hoffman was an associate in the corporate finance department of Skadden, Arps, Slate, Meagher and Flom LLP. We believe that Ms. Hoffman's qualifications to serve on our Board include her extensive legal background and transactional experience.

CORPORATE GOVERNANCE

Director Independence

Our stock is listed on the NYSE MKT LLC. Three of our current five directors, Emanuel Pearlman, Allison Hoffman and Niv Harizman, are considered independent directors in compliance with the standard of independence in Rule 803A(2) of the NYSE MKT LLC Company Guide.

Leadership Structure

Corey M. Horowitz, our Chairman and Chief Executive Officer, serves as Chairman of the Board of Directors. The Company does not have a lead independent director. The majority of the members of our Board of Directors are independent and all members of Board committees (including Chairpersons) are independent. The Company believes its leadership is appropriate given the size of the Company, the majority of independent directors and the independent leadership of the committees of the Board.

Board Oversight of Risk

With respect to the oversight of the Company's risk, the Company's executive officers supervise the day-to-day risk management responsibilities and in turn report, when necessary, to the Audit Committee with respect to financial and operational risk and to the full Board with respect to risks associated with the Company's overall strategy.

BOARD OF DIRECTOR MEETINGS AND BOARD COMMITTEES

During the year ended December 31, 2014, the Board held eight meetings and Board committees held the following meetings: Audit Committee – seven meetings and one unanimous consent in lieu of meeting; Compensation Committee - three meetings and two unanimous consents in lieu of meetings and Nominating and Corporate Governance Committee - one meeting. During 2014, each of the Company's directors attended at least seventy-five percent of the aggregate of: (1) the total number of meetings of the Board of Directors; and (2) the total number of meetings of all Board committees on which they served.

The Company's current policy strongly encourages that all of its Directors attend all Board and Committee meetings and the Company's Annual Meeting of Stockholders, absent extenuating circumstances that would prevent their attendance. All of the directors attended the Annual Meeting of Stockholders last year.

BOARD COMMITTEES

The Board of Directors currently has four committees: an Audit Committee; a Compensation Committee; a Nominating and Corporate Governance Committee and a Strategic Development Committee. Each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee has a charter. These charters are available on the Company’s website at: http://www.Network-1.com/sec/sec.htm. Each member of each committee is an “independent” director under the standards of the NYSE MKT LLC. Three of our current five directors, Emanuel Pearlman, Allison Hoffman and Niv Harizman, are considered independent directors in compliance with the standard of independence in Section 803A(2) of the NYSE MKT LLC Company Guide.

Audit Committee

The Board of Directors has an audit committee in accordance with 10A-3 of the Securities Exchange Act of 1934, as amended, and Section 803 of the NYSE MKT LLC Company Guide, consisting of Emanuel Pearlman (Chairman) and Allison Hoffman. Emanuel Pearlman and Allison Hoffman each qualify as an audit committee financial expert under applicable SEC rules. Mr. Pearlman and Ms. Hoffman also qualify as “independent” as independence for audit committee members is defined under 10A-3 under the Securities Exchange Act of 1934, as amended, and Section 803B(2) of the NYSE MKT LLC Company Guide.

The Audit Committee is appointed by our Board of Directors to provide assistance to the Board in fulfilling its oversight responsibility with respect to, among other things, (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) selecting and evaluating the qualifications and independence of the Company’s independent registered public accounting firm, (iv) evaluating the performance of the Company’s internal audit function and independent registered public accounting firm, and (v) the Company’s internal controls and procedures.

Compensation Committee

The Compensation Committee consists of Allison Hoffman (Chairperson) and Niv Harizman. The Compensation Committee is appointed by the Board of Directors to assist the Board in carrying out the Board's responsibilities relating to compensation of the Company's executive officers and directors. The Committee has overall responsibility for evaluating and approving the officer and director compensation plans, policies and programs of the Company.

Nominating and Corporate Governance Committee

Our Board has a Nominating and Corporate Governance Committee consisting of Niv Harizman (Chairman) and Emanuel Pearlman. The Nominating and Corporate Governance Committee is responsible for, among other things, developing and recommending to the Board a set of corporate governance policies for the Company, establishing criteria for selecting new directors, and identifying, screening and recruiting new directors. The Committee also recommends to the Board nominees for directors and recommends directors for committee membership to the Board.

Strategic Development Committee

In June 2013, the Company established a Strategic Development Committee to assist our Chairman and Chief Executive Officer in strategic development and planning of the Company's business relating to identifying potential strategic partners, the development of new IP acquisition opportunities and strategic alternatives. The Committee also assists in capital markets related activities. Niv Harizman is the sole member of the Strategic Development Committee.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors, and persons who own more than ten percent (10%) of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten percent (10%) stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on review of the copies of such forms furnished to us or amendments thereto, we believe that all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent (10%) stockholders were complied with during 2014.

CODE OF ETHICS

Network-1 has developed and adopted Codes of Ethics to cover its executive officers, directors and employees. Copies of the Codes of Ethics can be obtained, without charge, upon written request, addressed to:

Network-1 Technologies, Inc.
445 Park Avenue, Suite 912
New York, New York 10022
Attention: Corporate Secretary

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COMMUNICATIONS WITH THE BOARD

The Board of Directors, through its Nominating and Corporate Governance Committee, has established a process for stockholders to send communications to the Board of Directors. Stockholders may communicate with the Board of Directors individually or as a group by writing to: The Board of Directors of Network-1 Technologies, Inc. c/o Corporate Secretary, 445 Park Avenue, Suite 912, New York, NY 10022. Stockholders should identify their communication as being from a Network-1 stockholder. The Corporate Secretary may require reasonable evidence that the communication or other submission is made by a Network-1 stockholder before transmitting the communication to the Board of Directors.

CONSIDERATION OF DIRECTOR NOMINEES

Stockholders wishing to recommend director candidates to the Nominating and Corporate Governance Committee must submit their recommendations in writing to the Nominating and Corporate Governance Committee, c/o Corporate Secretary, Network-1 Technologies, Inc., 445 Park Avenue, Suite 912, New York, NY 10022.

The Nominating and Corporate Governance Committee will consider nominees recommended by Network-1 stockholders provided that the recommendation contains sufficient information for the Nominating and Corporate Governance Committee to assess the suitability of the candidate, including the candidate's qualifications, and complies with the procedures set forth below under "Deadline and Procedures for Submitting Board Nominations". In addition, it must include information regarding the recommended candidate relevant to a determination of whether the recommended candidate would be barred from being considered independent under applicable NYSE MKT LLC Rules, or, alternatively, a statement that the recommended candidate would not be so barred. Candidates recommended by stockholders that comply with these procedures will receive the same consideration that candidates recommended by the Nominating and Corporate Governance Committee receive. A nomination which does not comply with the above requirements will not be considered.

The qualities and skills sought in prospective members of the Board are determined by the Nominating and Corporate Governance Committee. When reviewing candidates to our Board, the Nominating and Corporate Governance Committee consider the evolving needs of the Board and seek candidates that fill any current or anticipated future needs. The Nominating and Corporate Governance Committee generally requires that director candidates be qualified individuals who, if added to the Board, would provide the mix of director characteristics, experience, perspectives and skills appropriate for Network-1. Criteria for selection of candidates will include, but not be limited to: (i) business and financial acumen, as determined by the Nominating and Corporate Governance Committee in its discretion, (ii) qualities reflecting a proven record of accomplishment and ability to work with others, (iii) knowledge of our industry, (iv) relevant experience and knowledge of corporate governance practices, and (v) expertise in an area relevant to Network-1. Such persons should not have commitments that would conflict with the time commitments of a Director of Network-1. Such persons shall have other characteristics considered appropriate for membership on the Board of Directors, as determined by the Nominating and Corporate Governance Committee. While the Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity, the Board and the Nominating and Corporate Governance Committee believe that it is important that the Board members represent diverse viewpoints. In considering candidates for the Board, the Nominating and Corporate Governance Committee and the Board consider the entirety of each candidate's credentials in the context of the foregoing standards.

DEADLINE AND PROCEDURES FOR SUBMITTING BOARD NOMINATIONS

A stockholder wishing to nominate a candidate for election to our Board of Directors at a meeting of our stockholders must give written notice, containing the required information specified above, that must be delivered personally to or mailed to and received by our Corporate Secretary at our principal executive offices (currently located at 445 Park Avenue, Suite 912, New York, NY 10022), not less than 50 days nor more than 75 days prior to the meeting; provided, however, that, in the event that we give less than 65 days' notice or prior public disclosure of the date of the meeting to our stockholders, notice by the stockholder to be timely must be received by our Corporate Secretary not later than the close of business on the tenth day following the earlier of (i) the day on which such notice of the date of the meeting was mailed or (ii) such public disclosure was made. Any such notice must set forth: (i) the name and record address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (ii) the class or series and number of shares of our stock which are held of record, owned beneficially and represented by proxy by such stockholder as of the record date for the meeting (if such date shall then have been made publicly available) and of the date of such notice; (iii) a representation that the stockholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (iv) a description of all arrangements or understandings between such stockholder and each nominee and any other person or persons (naming such person or persons) under which the nomination or nominations are to be made by such stockholder; (v) the name, age, business address and residence address of the nominee and such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed by us pursuant to the proxy rules of the SEC, had each nominee been nominated, or intended to be nominated by our Board of Directors; and (vi) the written consent of each nominee to serve as our director, if so elected.

COMPENSATION OF DIRECTORS

For 2014 we compensated each non-management director of our company by granting to each such outside director 5-year stock options to purchase 35,000 shares of our Common Stock (which grants are made on an annual basis). We also grant to each non-management director 5-year stock options to purchase 50,000 shares of our Common Stock upon joining our Board (there were no new members of our Board in 2014). All such options are issued at an exercise price equal to the closing price of our Common Stock on the date of grant and vest over a one year period in equal amounts on a quarterly basis, subject to continued service on the Board. In addition, we pay our non-management directors cash director fees of $40,000 per annum ($10,000 per quarter). Non-management directors also receive additional cash compensation on an annual basis for serving on the following Board committees: Audit Committee – Chairperson ($7,500) and member ($5,000) and the Chairperson and member of each of the Compensation Committee and Nominating and Corporate Governance Committee received annual fees of $3,750 and $2,500, respectively.

In consideration for serving as the sole member of our Strategic Development Committee, in June 2013 we issued to Niv Harizman a 5-year option to purchase 300,000 shares of our Common Stock, at an exercise price of $1.88 per share, which option vested 100,000 shares on the date of grant and 100,000 shares on each the first and second anniversary from the grant date.

The Board of Directors or the Compensation Committee may review and determine the form and amount of directors' compensation, including cash, equity based awards and other director compensation to maintain a transparent and readily understandable director compensation which ensures that the directors continue to receive fair and appropriate compensation for the time commitment required to discharge their duties for a company of our size.

The following table sets forth the compensation awarded to, earned by or paid to all persons who served as members of our board of directors (other than our Named Executive Officers) during the year ended December 31, 2014. No director who is also a Named Executive Officer received any compensation for services as a director in 2014.

Name	Option Awards(2)(3) ($)	Fees earned or paid in cash ($)(1)	All other compensation ($)	Total ($)
Emanuel Pearlman	$ 27,000	$ 50,000	—	$ 77,000
Niv Harizman	$ 97,000	$ 46,250	—	$ 143,250
Allison Hoffman	$ 27,000	$ 48,750	—	$ 75,750

(1) Represents director's fees payable in cash to each non-management director of $10,000 per quarter (or $40,000 per annum) for 2014 plus cash fees for serving on Board committees.

(2) The amounts included in the "Option Awards" column represent the grant date fair value of stock option awards (vested) to directors, computed in accordance with FASB ASC Topic 718. For a discussion of valuation assumptions see Note G[1] to our Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014.

(3) The aggregate grant date fair values for 2014 calculated in accordance with FASB ASC Topic 718 reflect the following: (i) 5-year options to purchase 35,000 shares of our Common Stock granted to each of Emanuel Pearlman, Niv Harizman and Allison Hoffman on April 9, 2014, at an exercise price of $1.65 per share, which options vested 8,750 shares on the date of grant and the balance of 26,250 shares in equal amounts of 8,750 shares on a quarterly basis beginning June 30, 2014, and (ii) a 5-year option to purchase 300,000 shares of our Common Stock granted to Niv Harizman on June 19, 2013, at an exercise price of $1.88 per share, which option vested 100,000 shares on the date of grant and 100,000 shares on the first and second anniversary from the date of grant. The aggregate number of option awards outstanding at December 31, 2014 for each director was as follows: Mr. Pearlman – options to purchase 135,000 shares; Mr. Harizman – options to purchase 410,000 shares; and Ms. Hoffman - options to purchase 110,000 shares.

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EXECUTIVE OFFICERS

All officers serve at the direction of our Board of Directors. The Board elects our officers.

Our executive officers are Corey M. Horowitz, our Chairman and Chief Executive Officer, David Kahn, our Chief Financial Officer and Secretary, and Jonathan Greene, our Executive Vice President.

Jonathan Greene became our Executive Vice President in October 2013. He served as a consultant to the Company from December 2004 until March 2013, providing technical and marketing analysis for our intellectual property portfolio. Mr. Greene became an employee of the Company in March 2013. From April 2006 to February 2009, Mr. Greene served as a marketing consultant for Avatier Corporation, a developer of identity management software. From August 2003 until December 2004, he served as a consultant to Neartek, Inc., a storage management software company (August 2003 until October 2003) and Kavado Inc., a security software company (November 2003 until December 2004). From January 2003 until July 2003, Mr. Greene served as Director of Product Management for FalconStor Software, Inc. (NASDAQ:FALC), a storage management software company. From December 2001 through December 2002, Mr. Greene served as Senior Vice President of Marketing and Business Development of Network-1, at a time when Network-1 was engaged in the development, marketing and licensing of security software. From December 1999 until September 2001, he served as Senior Vice President of Marketing for Panacya Inc., a vendor of service management software.

EXECUTIVE COMPENSATION

Named Executive Officers

For the year ended December 31, 2014, we have determined that (i) our Chief Executive Officer, and (ii) our most highly compensated executive officers other than our Chief Executive Officer who served in such capacity during 2014 and at the end of 2014 whose total compensation exceeded $100,000, are our Named Executive Officers, as follows:

Corey M. Horowitz, Chairman and Chief Executive Officer;

David Kahn, Chief Financial Officer; and

Jonathan Greene, Executive Vice President.

Compensation Overview

Network-1 Technologies, Inc. is a “smaller reporting company” under the rules promulgated by the Securities and Exchange Commission and the Company complies with the disclosure requirements applicable to smaller reporting companies. This executive compensation summary is not intended to meet the “Compensation Disclosure and Analysis” disclosure required of larger reporting companies.

Role of the Compensation Committee. All compensation for our Named Executive Officers is determined by the Compensation Committee of our Board of Directors which is composed only of independent directors. The Compensation Committee is responsible for reviewing the performance and establishing the total compensation of our Named Executive Officers on an annual basis. The Compensation Committee administers compensation plans for our Named Executive Officers and is responsible for recommending grants of equity awards under our stock incentive plans to the Board of Directors for approval. Our Chairman and Chief Executive Officer annually makes recommendations to the Compensation Committee regarding base salary, bonus compensation and equity awards for the other Named Executive Officers. Such recommendations are considered by the Compensation Committee; however, the Compensation Committee retains full discretion and authority over the final compensation decisions for the Named Executive Officers. The Compensation Committee has a formal written charter which is available on our website.

The Compensation Committee has the authority to engage independent compensation consultants. In October 2012, prior to the establishment of the Compensation Committee (January 2013), our independent directors engaged Dignall Associates, Inc., an independent compensation and human resources consulting firm, to provide recommendations and review the proposed terms and provisions of our employment agreement with our Chairman and Chief Executive Officer which was entered into in November 2012 and expires in November 2015. Dignall Associates, Inc. provided advice and reviewed the proposed compensation package in the employment agreement for our Chairman and Chief Executive Officer including, among other things, the base salary and term of the agreement, annual cash bonus, royalty incentive compensation and the long term equity award. The independent directors considered the recommendations and findings of the independent compensation consultant prior to approving the employment agreement with our Chairman and Chief Executive Officer.

Advisory Vote on Executive Compensation. At the September 2014 annual meeting, we held a stockholder advisory vote on the compensation of our Named Executive Officers, commonly referred to as a say-on-pay vote. Our stockholders approved the compensation of our Named Executive Officers at the September 2014 annual meeting, with an overwhelming majority of stockholder votes cast in favor of our say-on-pay resolution. As we evaluated our compensation practices, we were mindful of the support our stockholders expressed for our compensation practices. As a result, following our annual review of our executive compensation, the Compensation Committee decided to retain our general approach to executive compensation. Our executive compensation for 2014 reflects our favorable financial performance and advances our retention goals and promotes both short-term and long-term performance of our executive officers.

Summary Compensation Table

The following table summarizes compensation for the years ended December 31, 2014 and December 31, 2013, awarded to, earned by or paid to our Chief Executive Officer ("CEO") and to each of our executive officers who received total compensation in excess of $100,000 for the year ended December 31, 2014 for services rendered in all capacities to us (collectively, the "Named Executive Officers").

Summary Compensation Table

		Annual Compensation			Long Term Compensation Awards	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards($)(3)	All Other Compensation($)(1)	Total($)
Corey M. Horowitz Chairman and Chief Executive Officer	2014	$ 415,000	$ 814,000 (2)	$ 108,000	$ 33,400 (4)	$ 1,370,000
	2013	$ 415,000	$ 572,000 (2)	$ 108,000	$ 33,500 (4)	$ 1,128,500
David C. Kahn Chief Financial Officer	2014	$ 157,500 (5)	$ 30,000	$ 16,000	$ 9,330 (6)	$ 212,830
	2013	$ 139,000 (5)	$ 30,000	$ 11,000	$ 5,000 (6)	$ 185,000
Jonathan Greene Executive Vice President	2014	$ 180,000 (7)	$ 40,000	$ 16,000	$ 18,160 (8)	$ 254,160
	2013	$ 180,000 (7)	$ 20,000	$ 53,000	—	$ 253,000

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(1) We have concluded that the aggregate amount of perquisites and other personal benefits paid in 2014 and 2013 to either Mr. Horowitz, Mr. Kahn or Mr. Greene did not exceed $10,000.

(2) Mr. Horowitz received the following cash incentive bonus payments for 2014: (i) an annual discretionary bonus of $200,000 for 2014 and (ii) royalty incentive compensation of $614,000 pursuant to his employment agreement (see "Employment Agreements-Termination of Employment and Change-In-Control Arrangements" below). Mr. Horowitz received the following cash incentive bonus payments for 2013: (i) an annual bonus of $175,000 and (ii) royalty incentive compensation of $397,000 pursuant to his employment agreement.

(3) The amounts in the "Option Awards" column represent the aggregate grant date fair value of the vested portion of the stock option awards granted to the Named Executive Officers computed in accordance with FASB ASC Topic 718. See Note G[1] to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of the assumptions made by the Company in determining the grant date fair value.

(4) Includes 401K matching funds contributions by the Company for the benefit of Mr. Horowitz of $33,400 and $33,500 for 2014 and 2013, respectively.

(5) Mr. Kahn became an employee on a part-time basis in April 2014. During the period January 2013 through March 2014, Mr. Kahn served as Chief Financial Officer on a consulting basis and was paid consulting fees.

(6) Includes (i) a 401K matching funds contribution by the Company for the benefit of Mr. Kahn of $9,330 for 2014, and (ii) $5,000 for 2013 representing Mr. Kahn's portion of a fee for tax services paid to an entity which is owned 50% by Mr. Kahn.

(7) Mr. Greene became Executive Vice President of the Company in October 2013 and an employee in March 2013. During January 2013 through February 2013, Mr. Greene was compensated as a consultant to the Company.

(8) Represents a 401K matching funds contribution by the Company for the benefit of Mr. Greene of $18,160 for 2014.

Narrative Disclosure to Summary Compensation Table

Employment Agreements, Termination of Employment and Change-In-Control Arrangements

On November 1, 2012, we entered into an employment agreement (the "Agreement") with Corey M. Horowitz pursuant to which he continues to serve as our Chairman and Chief Executive Officer for three successive one year terms (unless terminated by the Company) at an annual base salary of $415,000. The Agreement established an annual target bonus of $150,000 for Mr. Horowitz based on performance criteria to be established on an annual basis by the Compensation Committee. For the year ended December 31, 2014, Mr. Horowitz received an annual bonus of $200,000.

In connection with the Agreement, Mr. Horowitz was issued a 10-year option to purchase 500,000 shares of our Common Stock at an exercise price of $1.19 per share, which vests in equal quarterly amounts of 41,667 shares beginning November 30, 2012 through August 31, 2015, subject to acceleration upon a change of control. Mr. Horowitz shall forfeit the balance of unvested shares if his employment has been terminated "For Cause" (as defined) by the Company or without "Good Reason" (as defined) by him.

Under the terms of the Agreement, Mr. Horowitz also receives incentive compensation in an amount equal to 5% of our gross royalties or other payments or proceeds (without deduction of legal fees or any other expenses) with respect to our Remote Power Patent (U.S. Patent No. 6,218,930), and a 10% net interest (gross royalties and other payments or proceeds after deduction of all legal fees and litigation expenses related to licensing of and enforcement activities, but in no event shall Mr. Horowitz receive less than 6.25% of the gross recovery) of our royalties and other payments with respect to our other patents besides the Remote Power Patent (the "Additional Patents") actually received from licensing our patented technologies including patents owned as of the date of the Agreement and acquired or licensed on an exclusive basis during the period in which Mr. Horowitz continues to serve as an executive officer of our company (the "Incentive Compensation"). For the year ended December 31, 2014, Mr. Horowitz earned Incentive Compensation of $614,000. The Incentive Compensation shall continue to be paid to Mr. Horowitz for the life of each of the Company's patents with respect to licenses entered into with third parties during Mr. Horowitz's term of employment or at anytime thereafter, whether Mr. Horowitz is employed by the Company or not; provided, that, Mr. Horowitz's employment has not been terminated by us "For Cause" (as defined) or terminated by Mr. Horowitz without "Good Reason" (as defined). In the event that Mr. Horowitz's employment is terminated by us "Other Than For Cause" (as defined) or by Mr. Horowitz for "Good Reason" (as defined), Mr. Horowitz shall also be entitled to (i) a lump sum severance payment of 12 months base salary, (ii) a pro-rated portion of the $150,000 target bonus provided bonus criteria have been satisfied on a pro-rated basis through the calendar quarter in which the termination occurs and (iii) accelerated vesting of all unvested options and warrants.

In the event we enter into a definitive agreement with respect to an acquisition transaction (either a merger or sale of substantially all of our assets) (an "Acquisition Transaction"), at our option exercisable at any time prior to five days before the closing of the Acquisition Transaction, upon notice to Mr. Horowitz we may elect to extinguish the right of Mr. Horowitz to receive Incentive Compensation (effective upon consummation of the Acquisition Transaction) by a lump sum payment to him at the closing of the Acquisition Transaction of an amount equal to the fair market value of such future compensation to be mutually agreed upon by us and Mr. Horowitz or, if no such mutual agreement is reached within 15 days after execution of a definitive agreement with respect to an Acquisition Transaction, an amount equal to the fair market value of such Incentive Compensation as determined by a qualified independent third party expert chosen by us which valuation shall be binding upon the parties and the cost of which will be paid by us.

In connection with the Agreement, Mr. Horowitz has also agreed not to compete with the Company as follows: (i) during the term of the Agreement and for a period of 12 months thereafter if his employment is terminated "Other Than For Cause" (as defined) provided he is paid his 12 month base salary severance amount and (ii) for a period of two years from the termination date, if terminated "For Cause" by the Company or "Without Good Reason" by Mr. Horowitz.

On April 12, 2012, we entered into a letter agreement with David Kahn which amended his agreement, dated February 3, 2011, pursuant to which he continued to serve as Chief Financial Officer of the Company. The amendment provided as follows: (i) the term of Mr. Kahn's service as Chief Financial Officer was extended until December 31, 2013; (ii) Mr. Kahn's monthly compensation was increased to $11,000 per month; and (iii) Mr. Kahn was granted a 5-year option to purchase 75,000 shares of our Common Stock at an exercise price of $1.40 per share (the closing price on the date of grant), which option vested over a one year period in equal quarterly amounts of 18,750 shares.

On April 9, 2014, David Kahn, Chief Financial Officer, entered into an offer letter with us pursuant to which he continues to serve as Chief Financial Officer, on an at-will basis, at an annual base salary of $157,500. Mr. Kahn is eligible to receive incentive or bonus compensation on an annual basis in the discretion of the our Compensation Committee. Mr. Kahn received an annual bonus of $30,000 for 2014. In connection with the offer letter, Mr. Kahn was issued, under the Company's 2013 Stock Incentive Plan, a 5-year stock option to purchase 50,000 shares of our Common Stock, at an exercise price of $1.65 per share, which option vests in two equal amounts (25,000 shares each) on each of December 31, 2014 and December 31, 2015. In addition, in the event Mr. Kahn's employment is terminated without "Good Cause" (as defined), he shall receive (i) (a) 6 months base salary or (b) 12 months base salary in the event of a termination without "Good Cause" within 6 months following a "Change of Control" of the Company (as defined) and (ii) accelerated vesting of all remaining unvested shares underlying his options or any other awards he may receive in the future.

In December 2014, our Board approved an increase in annual base salary for Jonathan Greene, Executive Vice President, to $200,000 per annum.

During the year ended December 31, 2014, Corey Horowitz, Chairman and Chief Executive Officer, and Jonathan Greene, Executive Vice President, exercised stock options to purchase an aggregate of 1,517,500 and 75,000 shares, respectively, of our Common Stock (Mr. Horowitz exercised options to purchase 1,100,000 shares at an exercise price of $0.25 per share and 417,000 shares at an exercise price of $0.68 per share and Mr. Greene exercised his option to purchase 75,000 shares at an exercise price of $0.68 per share). All such options were exercised on a cashless (net exercise) basis by delivery of an aggregate of 292,638 and 31,098 shares of Common Stock, respectively, by Mr. Horowitz and Mr. Greene. In addition, during the year ended December 31, 2014, Mr. Horowitz and Mr. Greene delivered an aggregate of 516,288 shares and 16,968 shares of Common Stock, respectively, with an aggregate value of $986,110 and $27,828, respectively, to fund payroll withholding taxes on exercise of such stock options.

Profit Sharing 401(k) Plan

We offer all employees who have completed a year of service (as defined) participation in a 401(k) retirement savings plan. 401(k) plans provide a tax-advantaged method of saving for retirement. We expensed matching contributions of $60,888 and $33,500 under the 401(k) plan for the years ended December 31, 2014 and December 31, 2013, respectively.

OUTSTANDING EQUITY AWARDS AT YEAR-END

The following table sets forth information relating to unexercised and outstanding options for each Named Executive Officer as of December 31, 2014:

	Number of Securities Underlying Unexercised Options					
Name	Exercisable		Unexercisable		Option Exercise Price ($)	Option Expiration Date
Corey M. Horowitz	374,999	(1)	125,001	(1)	$ 1.19	11/01/22
Chairman and CEO	750,000		—		$ 0.83	6/08/19
David Kahn	25,000		25,000	(2)	1.65	4/09/19
Chief Financial Officer	75,000		—		$ 1.40	4/12/17
	100,000		—		$ 1.59	2/03/16
Jonathan Greene	25,000		25,000	(2)	$ 1.65	4/09/19
Executive Vice President	150,000		—		$ 0.90	4/16/15
	240,000		—		$ 1.60	3/10/16

(1) 41,667 shares vest on a quarterly basis beginning November 30, 2012 through August 31, 2015.

(2) 25,000 shares vested on December 31, 2014 and 25,000 shares vest on December 31, 2015.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our Common Stock as of July 15, 2015 for (i) each person known by us to be the beneficial owner of more than 5% of our outstanding shares of Common Stock, (ii) each of our directors, (iii) each of our executive officers, and (iv) all of our executive officers and directors as a group.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP(1)	PERCENTAGE OF COMMON STOCK BENEFICIALLY OWNED(2)
Corey M. Horowitz(3)	7,165,269	29.2%
CMH Capital Management Corp(4)	2,291,372	9.8%
Steven D. Heinemann (5)	3,450,878	14.8%
Goose Hill Capital LLC(6)	2,865,645	12.3%
Emigrant Capital Corporation(7)	1,312,500	5.6%
Niv Harizman(8)	439,543	1.8%
Jonathan E. Greene(9)	321,681	1.4%
David C. Kahn(10)	216,000	*
Emanuel Pearlman(11)	152,500	*
Allison Hoffman(12)	127,500	*
All officers and directors as a group (6 Persons)	8,422,493	33.0%

* Less than 1%.

(1) Unless otherwise indicated, we believe that all persons named in the above table have sole voting and investment power with respect to all shares of Common Stock beneficially owned by them. Unless otherwise indicated the address for each listed beneficial owner is c/o Network-1 Technologies, Inc., 445 Park Avenue, Suite 912, New York, New York 10022.

(2) A person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days from July 15, 2015 upon the exercise of options, warrants or convertible securities. Each beneficial owner's percentage ownership is determined by assuming that options, warrants and other convertible securities held by such person (but not those held by any other person) and which are exercisable or convertible within 60 days from July 15, 2015 have been exercised and converted. Assumes a base of 23,311,485 shares of our Common Stock outstanding.

(3) Includes (i) 3,193,385 shares of Common Stock held by Mr. Horowitz, (ii) 1,250,000 shares of Common Stock subject to currently exercisable stock options held by Mr. Horowitz, (iii) 2,171,372 shares of common stock held by CMH Capital Management Corp., an entity solely owned by Mr. Horowitz, (iv) 120,000 shares of Common Stock owned by the CMH Capital Management Money Purchase Plan, of which Mr. Horowitz is the trustee, (v) 67,471 shares of Common Stock owned by Donna Slavitt, the wife of Mr. Horowitz, (v) an aggregate of 360,750 shares of Common Stock held by two trusts and a custodian account for the benefit of Mr. Horowitz's three children and (vii) 2,291 shares of Common Stock held by Horowitz Partners, a general partnership of which Mr. Horowitz is a partner.

(4) Includes 2,171,372 shares of Common Stock owned by CMH Capital Management Corp. and 120,000 shares of Common Stock owned by CMH Capital Management Purchase Plan. Corey M. Horowitz, by virtue of being the sole officer, director and shareholder of CMH Capital Management Corp. and the trustee of the CMH Capital Management Purchase Plan, has the sole power to vote and dispose of the shares of Common Stock owned by CMH Capital Management Corp. and the CMH Capital Management Money Purchase Plan.

(5) Includes 585,233 shares of Common Stock owned by Mr. Heinemann and 2,865,645 shares of Common Stock owned by Goose Hill Capital LLC. Goose Hill Capital LLC is an entity in which Mr. Heinemann is the sole member. Mr. Heinemann, by virtue of being the sole member of Goose Hill Capital LLC, has the sole power to vote and dispose of the shares of Common Stock owned by Goose Hill Capital LLC. The aforementioned beneficial ownership is based upon a Form 4 filed by Mr. Heinemann with the SEC on June 19, 2015. The address for Mr. Heinemann is 106 Goose Hill Road, Cold Spring Harbor, New York 11724.

(6) Includes 2,865,645 shares of Common Stock. Steven D. Heinemann, by virtue of being the sole member of Goose Hill Capital LLC, has the sole power to vote and dispose of the shares of Common Stock owned by Goose Hill Capital LLC. The aforementioned beneficial ownership is based upon a Form 4 filed by Mr. Heinemann with the SEC on June 19, 2015. The address for Goose Hill Capital LLC is 106 Goose Hill Road, Cold Spring Harbor, New York 11724.

(7) Includes 1,312,500 shares of Common Stock owned by Emigrant Capital Corporation. Emigrant Capital Corporation ("Emigrant Capital") is a wholly-owned subsidiary of Emigrant Savings Bank ("ESB"), which is a wholly-owned subsidiary of Emigrant Bancorp, Inc. ("EBI"). EBI is a wholly-owned subsidiary of New York Private Bank & Trust Corporation ("NYPBTC"). The Paul Milstein Revocable 1998 Trust (the "Trust") owns 100% of the voting stock of NYPBTC. ESB, EBI, NYPBTC and the Trust each may be deemed to be the beneficial owner of the shares of Common Stock held by Emigrant Capital. The aforementioned is based upon a Schedule 13G/A filed jointly by Emigrant Capital, ESB, EBI, NYPBTC, the Trust and others with the SEC on February 12, 2005. Howard Milstein, by virtue of being an officer of New York Private Bank and Trust Corporation and trustee of the Paul Milstein Revocable 1998 Trust, both indirect owners of Emigrant Capital, may be deemed to have sole power to vote and dispose of the shares of Common Stock owned by Emigrant Capital. The address of Emigrant Capital Corporation is 6 East 43rd Street, 8th Floor, New York, New York 10017.

(8) Includes 12,043 shares of Common Stock and 427,500 shares of Common Stock subject to currently exercisable options owned by Mr. Harizman. Does not include options to purchase 17,500 shares of Common Stock which are not currently exercisable.

(9) Includes 56,681 shares of Common Stock and 265,000 shares of Common Stock subject to currently exercisable options owned by Mr. Greene. Does not include options to purchase 25,000 shares of Common Stock which are not currently exercisable.

(10) Includes (i) 16,000 shares of Common Stock owned by Mr. Kahn and (ii) 200,000 shares of Common Stock subject to currently exercisable stock options owned by Mr. Kahn. Does not include options to purchase 25,000 shares of Common Stock which are not currently exercisable.

(11) Includes 152,500 shares of Common Stock subject to currently exercisable stock options owned by Mr. Pearlman. Does not include options to purchase 17,500 shares of Common Stock which are not currently exercisable.

(12) Includes 127,500 shares of common stock subject to currently exercisable options owned by Ms. Hoffman. Does not include options to purchase 17,500 shares which are not currently exercisable.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Since the last two fiscal years there were no transactions with related persons requiring disclosure under Item 404 of Regulation S-K under the Securities Act.

Review, Approval or Ratification of Transactions with Related Persons

The Audit Committee has responsibility for reviewing and approving related-persons transactions in accordance with its charter. A related person is any executive officer, director, nominee for director or more than 5% stockholder of the Company, including immediate family members, and any entity owned or controlled by such persons. In addition, pursuant to our Codes of Ethics, all of our officers, directors and employees are to avoid conflicts of interest and to refrain from taking part or exercising influence in any transaction in which such party's personal interest may conflict with the best interest of the Company. Except for provisions of the Audit Committee Charter, there are no written procedures governing review of related-persons transactions.

AUDIT COMMITTEE REPORT

The information contained in this Audit Committee report is not "soliciting material" and has not been "filed" with the SEC. This report will not be incorporated by reference into any of our future filings under the Securities Act of 1933 or the Exchange Act, except to the extent that we may specifically incorporate it by reference into a future filing.

The Audit Committee reviews the Company's financial reporting process on behalf of the Board. Management is responsible for the financial statements and the reporting process, including the internal control over financial reporting. The Company's independent registered public accounting firm, Friedman LLP, is responsible for expressing an opinion on the conformity of the audited financial statements with U.S. generally accepted accounting principles. The Audit Committee has reviewed and discussed the audited financial statements with management and management's evaluations of the Company's system of internal controls over financial reporting contained in the 2014 Annual Report on Form 10-K.

As required by the standards of the Public Company Accounting Oversight Board ("PCAOB"), the Committee has discussed with Friedman LLP (i) the matters specified in Auditing Standard 16 – "Communications with Audit Committees", and (ii) the independence of Friedman LLP from the Company and management. The Audit Committee received the written disclosures and the confirming letter from Friedman required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence and discussed with Friedman its independence from the Company.

Based upon the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2014.

The Audit Committee – Emanuel Pearlman (Chairman) and Allison Hoffman

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PROPOSAL 2

APPROVAL, BY NON-BINDING ADVISORY VOTE, OF THE RESOLUTION APPROVING NAMED EXECUTIVE OFFICER COMPENSATION

The Company is asking its stockholders to approve a non-binding advisory resolution on its named executive officer compensation as reported in this Proxy Statement.

In accordance with Section 14A of the Exchange Act, and as a matter of good corporate governance, the Company is asking stockholders to approve the following advisory resolution at the Annual Meeting:

RESOLVED, that the stockholders of Network-1 Technologies, Inc. (the "Company") hereby approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in this proxy statement pursuant to the SEC’s disclosure rules, including the narrative discussion in the section entitled "Executive Compensation", the Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the Company's 2015 Annual Meeting of Stockholders.

This advisory resolution, commonly referred to as a "say-on-pay" resolution, is non-binding on the Board of Directors. Although non-binding, the Board of Directors and the Compensation Committee will carefully review and consider the voting results when evaluating our named executive officer compensation.

APPROVAL REQUIRED AND RECOMMENDATION

The affirmative vote of the holders of record of a majority in voting interest of the shares of stock entitled to be voted on this Proposal 2 at the Annual Meeting, present in person or by proxy is required for approval of this proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE NON-BINDING ADVISORY RESOLUTION ON THE COMPANY'S NAMED EXECUTIVE OFFICER COMPENSATION.

PROPOSAL 3

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Friedman LLP ("Friedman") has audited and reported upon the financial statements of the Company for the fiscal year ended December 31, 2014. The Audit Committee of the Board of Directors has re-appointed Friedman as the Company's independent registered public accounting firm for the Company's fiscal year ending December 31, 2015, and the Board is asking stockholders to ratify that selection. Although current law, rules, and regulations, as well as the charter of the Audit Committee, require the Audit Committee to engage, retain, and supervise the Company's independent registered public accounting firm, the Board considers the selection of the independent registered public accounting firm to be an important matter of stockholder concern and is submitting the selection of Friedman for ratification by stockholders as a matter of good corporate practice. The Audit Committee reserves the right, even after ratification by stockholders, to change the appointment of Friedman as auditors, at any time during the 2015 fiscal year, if it deems such change to be in the best interest of the Company. If the stockholders do not ratify the selection of Friedman, the Audit Committee will review the Company's relationship with Friedman and take such action as it deems appropriate, which may include continuing to retain Friedman as the Company's independent registered public accounting firm. A representative of Friedman is expected to be present at the Annual Meeting with the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

On October 8, 2014, the Audit Committee accepted the resignation of Radin Glass &Co., LLP ("Radin Glass"), as our independent registered public accounting firm, effective as of that date. In June 2014, Radin Glass had advised the Company that it would not be able to conduct an audit of the Company for the year ending December 31, 2014 as three of its partners and all other employees were joining another accounting firm which does not conduct audits of public companies pursuant to its policies. Contemporaneous with Radin Glass's resignation, the Audit Committee engaged Friedman as the Company's independent registered public accounting firm for the years ended December 31, 2014 and December 31, 2015.

Audit Fees

Friedman billed us aggregate fees of $70,000 for the year ended December 31, 2014 for review of financial statements included in our Form 10-Q for the third quarter of 2014 and for the audit of our annual financial statements for the year ended December 31, 2014.

Radin, Glass billed us aggregate fees of approximately $68,000 and $74,500 for the years ended December 31, 2014 and December 31, 2013, respectively, for review of financial statements included in our Form 10-Q's and for other services in connection with statutory or regulatory filings for the year ended December 31, 2013, and the first two quarters of 2014 and for the audit of our annual financial statements for the year ended December 31, 2013.

Audit Related Fees, Tax Fees and All Other Fees

Friedman did not render any other professional service (other than those discussed above for the year ended December 31, 2014). Radin Glass did not render any other professional service (other than those discussed above for the years ended December 31, 2014 or December 31, 2013) except for fees and expenses of $64,000 with respect to the audit of Cisco Systems, Inc. (which we were reimbursed in full by Cisco) for the year ended December 31, 2014 and income tax consulting for which Radin Glass billed us approximately $6,100 for the year ended December 31, 2014 and $5,500 for the year ended December 31, 2013.

Audit Committee Pre-Approval Policies and Procedures

Our audit committee charter provides that our audit committee must comply with SEC rules to maintain auditor independence as set forth in Rule 2-01(c)(7)(i) of Regulation S-X. All the services above were approved in advance by our Board of Directors.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF FRIEDMAN LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015.

STOCKHOLDER PROPOSALS FOR 2016 ANNUAL MEETING

Stockholders who wish to present proposals appropriate for consideration at our annual meeting of stockholders to be held in the year 2016 must submit a notice containing the proposal in proper form consistent with our approved procedures, addressed to the attention of our Corporate Secretary at our address set forth on the first page of this proxy statement and in accordance with applicable regulations under Rule 14a-8 of the Exchange Act, not later than March 26, 2016 in order for the proposal to be considered for inclusion in our proxy statement and form of proxy relating to such annual meeting. Under our approved procedures, to be in proper form, each such notice must set forth as to each matter the stockholder proposes to bring before the meeting: (i) a description of each item of business proposed to be brought before the meeting and the reasons for conducting such business at the meeting; (ii) the name and record address of the stockholder proposing to bring such item of business before the meeting; (iii) the class or series and number of shares of our stock which are held of record or owned beneficially and represented by proxy by such stockholder as of the record date for the meeting (if such date then shall have been made publicly available) and as of the date of such notice; (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business; (v) a representation that such stockholder intends to appear in person or by proxy at the meeting to bring such business before the meeting; and (vi) all other information which would be required to be included in a proxy statement filed with the SEC if, with respect to any such item of business, such stockholder were a participant in a solicitation subject to Section 14 of the Exchange Act.

If a stockholder submits a proposal after the March 26, 2016 deadline required under Rule 14a-8 of the Exchange Act but still wishes to present the proposal at our annual meeting of stockholders (but not in our proxy statement) for the fiscal year ending December 31, 2016 to be held in 2016, the proposal, which must be presented in a manner consistent with our approved procedures and applicable law, must be submitted to our Corporate Secretary in proper form at the address set forth above so that it is received by our Corporate Secretary not less than 50 nor more than 75 days prior to the meeting unless less than 65 days notice or prior public disclosure of the date of the meeting is given or made to stockholders, in which case, no less than the close of business on the tenth day following the date on which the notice of the date of the meeting was mailed or other public disclosure of the date of the meeting was made.

We did not receive notice of any proposed matter to be submitted by stockholders for a vote at this Annual Meeting and, therefore, in accordance with Exchange Act Rule 14a-4(c) any proxies held by persons designated as proxies by our Board of Directors and received in respect of this Annual Meeting will be voted in the discretion of our management on such other matter which may properly come before the Annual Meeting.

OTHER INFORMATION

Proxies for the Annual Meeting will be solicited by mail and through brokerage institutions and all expenses involved, including printing and postage, will be paid by the Company.

A COPY OF THE COMPANY'S ANNUAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 IS BEING FURNISHED HEREWITH TO EACH STOCKHOLDER OF RECORD AS OF THE CLOSE OF BUSINESS ON JULY 15, 2015. COPIES OF OUR ANNUAL REPORT ON FORM 10-K, AND ANY AMENDMENTS TO THE FORM 10-K, WITHOUT EXHIBITS, WILL BE PROVIDED UPON WRITTEN REQUEST. EXHIBITS TO THE FORM 10-K WILL BE PROVIDED FOR A NOMINAL CHARGE. A WRITTEN REQUEST FOR THE FORM 10-K SHOULD BE MADE TO:

Network-1 Technologies, Inc.
445 Park Avenue, Suite 912
New York, New York 10022
Attention: Secretary

The Board of Directors is aware of no other matters, except for those incident to the conduct of the Annual Meeting, that are to be presented to stockholders for formal action at the Annual Meeting. If, however, any other matters properly come before the Annual Meeting or any adjournments thereof, it is the intention of the persons named in the proxy to vote the proxy in accordance with their judgment.

By order of the Board of Directors,

July 24, 2015

Corey M. Horowitz,
Chairman and Chief Executive Officer

ANNUAL MEETING OF STOCKHOLDERS OF

NETWORK-1 TECHNOLOGIES, INC.

September 10, 2015

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NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:
The Notice of Meeting, proxy statement and proxy card
are available at http://www.network-1.com/sec/proxy2015/

Please sign, date and mail
your proxy card in the
envelope provided as soon
as possible.

---------- Please detach along perforated line and mail in the envelope provided. ----------

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THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN BELOW.
PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HEREx

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1. Election of Directors: SEE INSTRUCTIONS BELOW TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE(S).

		NOMINEES:	
o	FOR ALL NOMINEES	m	Corey M. Horowitz
		m	David C. Kahn
o	WITHHOLD AUTHORITY FOR ALL NOMINEES	m	Emanuel Pearlman
		m	Niv Harizman
		m	Allison Hoffman
o	FOR ALL EXCEPT (See instructions below)		

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT" and fill in the circle next to each nominee you wish to withhold, as shown here:

	FOR	AGAINST	ABSTAIN
2. To approve, by non-binding advisory vote, the resolution approving named executive officer compensation.	o	o	o
3. To ratify the appointment of Friedman LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015.	o	o	o

4. To transact such other business as may properly come before the meeting.

The undersigned acknowledges receipt from the Company before the execution of this proxy of the Notice of Annual Meeting of Shareholders, a Proxy Statement for the Annual Meeting of Shareholders and the 2014 Annual Report to Shareholders.

MARK "X" HERE IF YOU PLAN TO ATTEND THE MEETING. o

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. o

Signature of Stockholder Date: Signature of Stockholder Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

o

NETWORK-1 TECHNOLOGIES, INC.

445 Park Avenue, Suite 912
New York, NY 10022
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Corey M. Horowitz and David C. Kahn, and each of them, with full power of substitution and power to act alone, as proxies to vote all the shares of Common Stock which the undersigned would be entitled to vote if personally present and acting at the Annual Meeting of Shareholders of Network-1 Technologies, Inc., to be held on Thursday, September 10, 2015 at 10:00 a.m., and at any adjournments or postponements thereof, as follows:

(Continued and to be marked, dated and signed on the reverse side.)

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