

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

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

1. Name and Address of Reporting Person* <u>NAZEM FRED F</u>  (Last) (First) (Middle) <u>C/O NETFABRIC CORPORATION</u> <u>67 FEDERAL ROAD, BUILDING A,</u> <u>SUITE 300</u>  (Street) <u>BROOKFIELD CT</u> <u>06804</u>  (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>12/09/2004</u>	3. Issuer Name and Ticker or Trading Symbol <u>HOUSTON OPERATING CO [ OTCBB:HOOC ]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year)  6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<u>COMMON STOCK, \$.001 PAR VALUE</u>	<u>8,240,265</u>	<u>D</u>	
<u>COMMON STOCK, \$.001 PAR VALUE</u>	<u>6,592,212</u>	<u>I</u>	<u>By Fred F. Nazem Children's Trust<sup>(1)</sup></u>

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

**Explanation of Responses:**

1. These shares are held in a trust for the benefit of the reporting person's children. The trustees of the trust are Alexander Nazem, Farhad Nazem and Soheyla Gharib.

/s/ Fred Nazem 12/13/2004

\*\* Signature of Reporting Person Date

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

\* If the form is filed by more than one reporting person, see Instruction 5 (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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.