

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL

OMB Number: 3235-0104

Estimated average burden

hours per response: 0.5

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>CAROLINA WALTER A</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 06804</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 12/09/2004	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 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: center;"><u>Chief Financial Officer</u></p>	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 <input type="checkbox"/> 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>164,805</u>	<u>D</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			
<u>Options</u>	<u>12/09/2004⁽¹⁾</u>	<u>01/11/2014</u>	<u>Common Stock</u>	<u>494,416</u>	<u>0.152</u>	<u>D</u>	
<u>Warrants</u>	<u>12/09/2004⁽¹⁾</u>	<u>01/11/2014</u>	<u>Common Stock</u>	<u>164,805</u>	<u>0.152</u>	<u>D</u>	

Explanation of Responses:

1. Exchange for preexisting options on December 9, 2004.

/s/ Walter Carozza12/13/2004

** 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.