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

FORM 10-Q

x QUARTERLY REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED June 30, 2008

COMMISSION FILE NUMBER: 0-21419

NETFABRIC HOLDINGS, INC.
(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	76-0307819 (I.R.S Employer Identification No.)

(Address of Principal Executive Offices)
299 Cherry Hill Road,
Parsippany, New Jersey 07054

(973)-537-0077
(Issuer's Telephone Number, Including Area Code)
(Former address, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes o No x

Indicate by check mark whether the registrant has submitted electronically and posted on its Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) Yes o No x.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company.

Large accelerated filer o	Accelerated filer o
Non- accelerated filer o	Small reporting company x

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of December 8, 2009, 97,053,044 shares of common stock, $.001 par value per share, of the issuer were outstanding.
Transitional Small Business Disclosure Format (check one): Yes o No x

NETFABRIC HOLDINGS, INC.

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NETFABRIC HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

		June 30, 2008 (Unaudited)		DECEMBER 31, 2007 (See Note)
ASSETS				
CURRENT ASSETS:				
Cash	$	35,722	$	15,224
Trade accounts receivable, net		2,723,612		1,758,821
Prepaid expenses and other current assets		193,549		34,012
Total current assets		2,952,883		1,808,057
Property and equipment, net		154,808		206,329
Goodwill		5,704,000		5,704,000
Other intangibles, net		549,680		659,687
Other assets		22,921		22,929
TOTAL ASSETS	$	9,384,292	$	8,401,002
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Private Placement, net of unamortized discount	$	150,000	$	150,000
Short term borrowings		750,000		970,000
Accounts payable and accrued liabilities		4,209,964		3,976,771
Accrued compensation		535,616		554,880
Deferred revenues and customer advances		769,964		112,000
Convertible note, net of unamortized discount		1,191,320		
Revolving note, net of unamortized discount		1,322,643		981,555
Total current liabilities		8,929,507		6,745,206
Convertible note, net of unamortized discount				940,232
Total liabilities		8,929,507		7,685,438
COMMITMENTS AND CONTINGENCIES				
STOCKHOLDERS' EQUITY :				
Common Stock, $.001 par value, authorized shares 200,000,000, 97,053,044 and 96,053,044 shares issued and outstanding, respectively		97,053		96,053
Additional paid-in capital		37,946,088		37,802,940
Accumulated deficit		(37,588,356)		(37,183,429)
Total stockholders' equity		454,785		715,564
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	9,384,292	$	8,401,002

The accompanying notes should be read in conjunction with the condensed consolidated financial statements.

NETFABRIC HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Revenues	$ 6,331,072	$ 4,109,276	$ 11,348,314	$ 8,379,464
OPERATING EXPENSES:				
Direct employee compensation and consultant expenses (includes share based compensation of $5,842, $11,396,$19,580 and $22,792)	5,000,901	3,123,798	8,891,971	6,483,479
Selling, general and administrative expenses (includes share based compensation of $25,232, $83,236, $84,568 and $253,839)	944,485	1,348,686	1,895,632	2,908,916
Impairment of goodwill		3,397,451		3,397,451
Depreciation and amortization	73,172	108,529	156,045	197,763
Total operating expenses	6,018,558	7,978,464	10,943,648	12,987,609
Income (loss) from operations	312,514	(3,869,188)	404,666	(4,608,145)
OTHER INCOME / (EXPENSE):				
Amortization of debt discounts	(186,895)	(193,678)	(368,261)	(369,473)
Amortization of debt issuance costs	(121,000)		(253,373)	
Interest and bank charges	(75,935)	(82,961)	(187,959)	(161,843)
Total other income / (expense)	(383,830)	(276,639)	(809,593)	(531,316)
Loss before provision for income taxes	(71,316)	(4,145,827)	(404,927)	(5,139,461)
Provision for income taxes	-	-	-	-
LOSS FROM CONTINUING OPERATIONS	(71,316)	(4,145,827)	(404,927)	(5,139,461)
DISCONTINUED OPERATIONS				
Loss from discontinued operations		(53,398)		(53,398)
NET LOSS	$ (71,316)	$ (4,199,225)	$ (404,927)	$ (5,192,859)
Net loss from continuing operations per common share, basic and diluted	$ (0.00)	$ (0.06)	$ (0.00)	$ (0.07)
Net loss from discontinued operations per common share, basic and diluted	-	-	-	-
Net loss per common share, basic and diluted	$ (0.00)	$ (0.06)	$ (0.00)	$ (0.07)
Weighted average number of shares outstanding, basic and diluted	97,053,044	75,663,883	96,618,978	75,484,435

The accompanying notes should be read in conjunction with the condensed consolidated financial statements.

NETFABRIC HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
OPERATING ACTIVITIES		
Net loss	$ (404,927)	$ (5,192,859)
Loss from discontinued operations		53,398
Adjustments to reconcile net loss to net cash provided by operating activities:		
Common stock issued for services		77,600
Non-cash charge for employee share based compensation	104,148	199,031
Non-cash financing fees	40,000	
Amortization of debt discounts	368,261	369,473
Amortization of debt issuance costs	253,373	
Impairment of goodwill		3,397,451
Depreciation and amortization	156,045	197,763
Loss on disposal of property and equipment	5,287	
Changes in operating assets and liabilities:		
Trade accounts receivable	(964,791)	(9,330)
Prepaid expenses and other current assets	(159,537)	(14,035)
Other assets		4,593
Accounts payable and accrued liabilities	231,525	224,358
Accrued compensation	(19,364)	(18,233)
Deferred revenues and advances	657,964	785,223
Net cash provided by continuing operations	267,984	74,433
Net cash used in discontinued operations		(53,398)
Net cash provided by operating activities	267,984	21,035
INVESTING ACTIVITIES		
Proceeds from disposal of property and equipment	5,981	
Purchases of property and equipment	(4,009)	(85,108)
Net cash provided by (used in) investing activities	1,972	(85,108)
FINANCING ACTIVITIES		
Subscription received		400,000
Short term borrowings	400,000	300,000
Repayment of short term borrowings	(620,000)	(100,000)
Repayment of convertible debenture		(500,000)
Proceeds from issuance (repayment) of revolving note, net	223,915	(198)
Debt issuance costs	(253,373)	(35,000)
Net cash (used in) provided by financing activities	(249,458)	64,802
Net increase in cash	20,498	729
Cash at beginning of period	15,224	13,437
Cash at end of period	$ 35,722	$ 14,166
Supplemental cash flow information:		
Cash paid for interest	$ 216,000	$ 175,000

The accompanying notes should be read in conjunction with the condensed consolidated financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

RECENT DEVELOPMENTS

On August 24, 2009, the "Company" along with its wholly-owned subsidiary, NetFabric Technologies, Inc., d/b/a UCA Services, Inc. ("UCA") and Fortify Infrastructure Services, Inc. ("Fortify) entered into Amendment No. 1 ("Amendment") to the Option and Purchase Agreement ("Option Agreement") in connection with the closing of Fortify's purchase of all of the outstanding capital stock of UCA upon exercise of its option granted under the Option Agreement. Pursuant to the Amendment, among other things, the Secured Convertible Promissory Note in the principal amount of $5 million issued by UCA to Fortify was cancelled, releases of certain obligations of the parties were granted as specified in the Amendment , and the commencement date and measurement period for the earn-out and bonuses provided for in the Option Agreement were modified.

On March 13, 2009, the Company along with its wholly-owned subsidiary, UCA entered into a Convertible Note Purchase Agreement dated March 12, 2009 with Fortify. Pursuant to the Convertible Note Purchase Agreement, Fortify purchased a Secured Convertible Promissory Note (the "Note") from UCA in the principal amount of $5 million with the Company being a guarantor for UCA's borrowings. Fortify, UCA and the Company also entered into the Option Agreement. Pursuant to the Option Agreement, Fortify has an option to acquire all of the outstanding shares of common stock of UCA.

The holders of a majority of the Company's outstanding common stock had previously approved the terms of the Option Agreement by a written consent as detailed in the Company's Definitive Schedule 14 C Information Statement filed with the Securities and Exchange Commission (the "SEC") on July 9, 2009.

NOTE 1. NATURE OF BUSINESS AND MANAGEMENT'S PLANS

NetFabric Holdings, Inc. ("Holdings" or the "Company") (formerly known as Houston Operating Company) was incorporated under the laws of the State of Delaware on August 31, 1989. On December 9, 2004, Holdings entered into an exchange agreement (the "Acquisition Agreement" or "Share Exchange") with all of the stockholders of NetFabric Corporation, a Delaware corporation ("NetFabric") whereby Holdings acquired all of the issued and outstanding capital stock of NetFabric and NetFabric became a wholly-owned subsidiary of Holdings. Upon completion of the merger, the NetFabric stockholders controlled approximately 95% of the then issued and outstanding stock. NetFabric's business activities were the activities of the merged company and Holdings was a shell corporation without any operations. As a result of these factors, this transaction was treated as a reverse merger for financial reporting purposes.

NetFabric was incorporated on December 17, 2002 and began operations in July 2003. NetFabric developed and marketed Voice over Internet Protocol ("VoIP") appliances that simplified the integration of standard telephone systems with an IP infrastructure. On May 5, 2006, the Company announced its decision to exit from the hardware-based VoIP communications product line (including resale of transport services) that is targeted at small to mid-sized businesses ("SMBs"). In accordance with Statement of Financial Accounting Standards No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets", ("SFAS No. 144"), the Company has presented the results of operations from its VoIP business segment as "discontinued operations" in the accompanying consolidated balance sheets, statements of operations and statements of cash flows (Note 3).

On May 20, 2005, Holdings entered into and closed on a share exchange agreement ("Exchange Agreement"), whereby Holdings acquired all of the issued and outstanding shares of UCA Services, Inc., a New Jersey company ("UCA Services") , from its shareholders in exchange for the issuance of 24,096,154 shares of common stock of Holdings (see Note 8). Holdings emerged from the development stage upon the acquisition of UCA Services. In May 2007, UCA Services changed its legal name to NetFabric Technologies, Inc.

UCA Services, a New Jersey company, is an information technology ("IT") services company that serves the information and communications needs of a wide range of Fortune 500 and small to mid-size business clients in the financial markets industry as well as the pharmaceutical, health care and hospitality sectors. UCA Services delivers a broad range of IT services in the practice areas of infrastructure builds and maintenance, managed services and professional services.

Management's plans

The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis. As shown in the accompanying unaudited condensed consolidated financial statements, the Company has incurred accumulated losses totaling $37,588,356 and has a working capital deficit of $5,976,624 at June 30, 2008. These factors, among others, indicate that the Company may be unable to continue as a going concern. The unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management recognizes that the Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to allow the Company to continue the development of its business plans and satisfy its current and long-term obligations on a timely basis. The Company believes that it will be able to complete the necessary steps in order to meet its cash requirements throughout fiscal 2008 and continue its business development efforts.

In March 2009, the company entered into a transaction with Fortify Infrastructure Services, Inc. See Note 2. Pursuant the transaction, the Company will transfer its ownership interest in UCA Services. Out of proceeds from the transaction, the Company repaid all of its debt. After the eventual divesture of UCA, the Company will not have any operations. However, the Company will be debt free. The Company will explore strategic alternatives including merger with another entity. Currently, the Company does not have any agreement or understanding with any entity and there is no assurance that such a transaction will ever be consummated .

BASIS OF PRESENTATION / INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"), except for the condensed consolidated balance sheet as of December 31, 2008, which was derived from audited financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America have been omitted pursuant to such rules and regulations. However the Company believes that the disclosures are adequate to make the information presented not misleading. The financial statements reflect all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the Company's financial position and results of operations. The operating results for the three and six months ended June 30, 2008 are not necessarily indicative of the results to be expected for any other interim period or any future year. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company's December 31, 2007 consolidated financial statements, including the notes thereto, which are included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 filed on February 18 , 2010.

RECLASSIFICATIONS

Certain reclassifications have been made in the prior periods consolidated financial statements to conform to the current period's presentation.

ESTIMATES

The preparation of the condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The accounting estimates that require management's most difficult and subjective judgments include provisions for bad debts, depreciable/amortizable lives, impairment of long-lived assets, accounting for goodwill and other intangible assets, the fair value of the Company's common stock, the fair value of options and warrants issued for services, the allocation of proceeds from certain financings to equity instruments and the computation of other reserves. Because of the uncertainty inherent in such estimates, actual results may differ from these estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company reduces its credit risk by placing its cash and cash equivalents with major financial institutions with high credit ratings. At times, such amounts may exceed Federally insured limits. The Company reduces its credit risk related to accounts receivable by routinely assessing the financial strength of its customers and maintaining an appropriate allowance for doubtful accounts.

The Company's services have been provided primarily to a limited number of clients located in a variety of industries. The Company had revenues from two clients representing a total of 65% (51% and 14%, respectively) of revenues during the three months ended June 30, 2008. For the six months ended June 30, 2008, the Company had revenues from two clients representing a total of 62% (46% and 16%, respectively).

The Company generally does not require its clients to provide collateral. Additionally, the Company is subject to a concentration of credit risk with respect to its accounts receivable. The Company had 2 clients accounting for 65% (46% and 19%, respectively) of total gross accounts receivable as of June 30, 2008.

Earnings (Loss) Per Share

The Company calculates earnings (loss) per share in accordance with SFAS No. 128, "Earnings per Share" ("SFAS No. 128"). SFAS No. 128 computes basic earnings (loss) per share by dividing the net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share is computed by dividing the net income (loss) by the weighted average number of shares of common stock outstanding during the period plus the effects of any dilutive securities.

Diluted earnings (loss) per share considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect. The Company's potentially dilutive securities include common shares which may be issued upon exercise of its stock options, exercise of warrants or conversion of convertible debt.

Diluted loss per share for the three and six months ended June 30, 2008 and 2007 exclude potentially issuable common shares of approximately 14,368,856 and 18,856,124, respectively, primarily related to the Company's outstanding stock options, warrants and convertible debt, because the assumed issuance of such potential common shares is antidilutive.

Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," ("SFAS No. 157"), which defines fair value, establishes a framework for using fair value to measure assets and liabilities, and expands disclosures about fair value measurements. SFAS No. 157 applies whenever other statements require or permit assets or liabilities to be measured at fair value. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. The Company adopted SFAS No. 157 effective January 1, 2008 and determined that it did not have a material effect on our consolidated financial statements.

In February 2007, FASB issued FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities. ("FAS 159") is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted subject to specific requirements outlined in FAS 159. Therefore, calendar-year companies may be able to adopt FAS 159 for their first quarter 2007 financial statements.

FAS 159 allows entities to choose, at specified election dates, to measure eligible financial assets and liabilities at fair value that are not otherwise required to be measured at fair value. If a company elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. FAS 159 also establishes presentation and disclosure requirements designed to draw comparisons between entities that elect different measurement attributes for similar assets and liabilities. Management is currently evaluating the effect of this pronouncement on financial statements.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations," which replaces FASB Statement No. 141, "Business Combinations." SFAS No. 141(R) establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquired, and the goodwill acquired. The Statement also establishes disclosure requirements that will enable users to evaluate the nature and financial effects of the business combination. SFAS No. 141(R) is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company has not completed its evaluation of the potential impact, if any, of the adoption of SFAS No. 141(R) on its consolidated financial position, results of operations, and cash flows.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of Accounting Research Bulletin No. 51," which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No.160 is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008 (our Fiscal 2010). The Company has not completed its evaluation of the potential impact, if any, of the adoption of SFAS No. 160 on our consolidated financial position, results of operations, and cash flows.

The Company does not believe that any other recently issued, but not effective, accounting standards, if currently adopted will have material effect on the Company's consolidated financial position, results of operations and cash flows

NOTE 2. DEBT FINANCINGS

During the six months ended June 30, 2008, the Company and Laurus entered into a waiver/ amendment agreement, pursuant to which Laurus waived the Company's non compliance of certain terms of the Security Agreement. In exchange for the waivers the Company issued Laurus 1,000,000 shares of its common stock. The fair value of the shares was $40,00 and was charged to operations expense during the six months ended June 30, 2008.

During the six months ended June 30, 2008 the Company borrowed an aggregate of $400,000 from six individuals and repaid an aggregate of $620,000. The aggregate amount of short term borrowings outstanding as of June 30, 2008 is $750,000. The borrowings outstanding at June 30, 2008 are due at various dates through February 2009. The borrowings are unsecured and bear nominal interest. The Company paid financing costs of $253,373 to third parties and lenders and this amount is being amortized over the term of the borrowings. During three months ended June 30, 2008, $253,373 was charged to operations as amortization of debt issuance costs.

Debt Financings consist of the following as of June 30, 2008:

	2008		
	Principal	Unamortized debt discount	Net
Laurus Revolving Note Due in March 2009	$ 1,500,863	$ (178,220)	$ 1,322,643
Laurus Convertible Note Due in March 2009	1,500,000	(308,680)	1,191,320
2006 Convertible Debentures	150,000		150,000
Short term borrowings	750,000		750,000
	$ 3,900,863	$ (486,900)	$ 3,413,963

NETFABRIC HOLDINGS INC. AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3. STOCKHOLDERS' EQUITY

Warrants
Outstanding warrant securities consist of the following at June 30, 2008

		Exercise Price		Expiration
Laurus Warrants	554,282	$	0.001	See (1)
2006 Private Placement	1,350,000	$	0.01	April to November 2009
2007 Short Term Financing	890,000	$	0.01	April to November 2010
Others	3,526,137	$	$0.15 to $.082	July 2008 to June 2011
	6,320,149			

(1) No expiration .

NOTE 4. STOCK-BASED COMPENSATION

Share-based compensation expense recognized under SFAS 123(R) for the three months ended June 30, 2008 and 2007 was $31,074 and $94,632, respectively. For the six months ended June 30, 2008 and 2007, share-based compensation expense was $104,148 and $199,031, respectively. Share-based compensation expense recognized in the Company's condensed consolidated statements of operations includes compensation expense for share-based payment awards granted prior to, but not yet vested as of December 31, 2005, based on the grant-date fair value estimated in accordance with the provisions of SFAS 123.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes and the other financial information appearing elsewhere in this report and reports included herein by reference. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements.

Our independent registered public accounting firm has indicated in their report, dated May 11, 2009, on our December 31, 2007 financial statements since we have experienced net losses since inception and have a working capital deficiency their report indicates that these matters raise substantial doubt about our ability to continue as a going concern. Our plan with regard to this matter is discussed elsewhere in this document. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

CORPORATE HISTORY

We were formerly known as Houston Operating Company and were incorporated in Delaware on August 31, 1989. On December 9, 2004, we entered into an Acquisition Agreement with all of the stockholders of NetFabric Corp., a Delaware corporation. NetFabric Corp. was incorporated in Delaware on December 17, 2002 and began operations in July 2003. At the closing, which occurred simultaneously with the execution of the Acquisition Agreement, we acquired all of the issued and outstanding capital stock of NetFabric Corp. from the stockholders in exchange for an aggregate of 32,137,032 newly-issued shares of our common stock. The acquisition was accounted for as a reverse merger whereby NetFabric Corp. was treated as the acquirer. On April 19, 2005, our name was changed from Houston Operating Company to NetFabric Holdings, Inc. and our stock symbol was changed from "HOOC" to "NFBH."

UCA SERVICES, INC. ACQUISITION

On May 20, 2005, we entered into and closed on a share exchange agreement, whereby we purchased all of the issued and outstanding shares of UCA Services, Inc., a New Jersey company (“UCA Services”) from its shareholders in exchange for the issuance of 24,096,154 shares of our common stock. UCA Services is an IT services and solutions company that serves the information needs of a wide range of Fortune 500 clients in the financial markets industry and the pharmaceutical, health care and hospitality sectors. UCA Services delivers a broad range of IT services in managed services, professional services, infrastructure building and maintenance, application development and maintenance areas. The acquisition was accounted for using the purchase method of accounting with UCA Service’s results of operations included in our consolidated financial statements from the date of acquisition.

DISCONTINUED OPERATIONS

Prior to acquiring NetFabric Corp., Houston Operating Company did not have any operations, and we were a shell company whose primary business objective was to merge and become public.

NetFabric Corp. was a provider of hardware and services to small to mid-sized businesses ("SMBs") that utilized the Internet for telephone communications or Voice over Internet Protocol ("VoIP"). It developed and marketed appliances or Customer Premises Equipment ("CPE") that simplified the integration of standard telephone systems with an IP infrastructure. In addition, NetFabric Corp resold transport services of a third party VoIP transport provider.

Our operations, prior to the UCA Services acquisition, consisted of developing VoIP appliances, including research and product development activities. We also hired additional personnel for sales and marketing and developed our sales and marketing programs.

With minimal revenues from VoIP operations, we concluded that we could not implement our original business plan for VoIP operations within our resources or with the additional capital we could raise in the near term. On May 5, 2006, our Board of Directors decided that the Company should exit the hardware-based VoIP communications product line (including resale of transport services) that is targeted to SMBs. In accordance with Statement of Financial Accounting Standards (‘SFAS’) No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets", ("SFAS No. 144"), the results of operations from the VoIP business segment has been reclassified as discontinued operations for all periods presented. After the discontinuation of VoIP operations, our only operations are that of UCA Services.

OVERVIEW OF UCA SERVICES BUSINESS

UCA Services derives revenues primarily from managed IT services, professional services, application development services and business process management services. Service arrangements with customers are generally on a time and material basis or fixed-price, fixed-timeframe revenue basis. UCA Services principal operating expenses are direct employee costs, consultant expenses and selling, general and administrative expenses. The principal components of selling, general and administrative expenses are salaries of sales and support personnel, and office rent. Direct employee costs and consultant expenses are comprised primarily of the costs of consultant labor, including employees, subcontractors and independent contractors, and related employee benefits. Approximately 50% of our consultants are employees and the remainder are subcontractors and independent contractors.

We compensate most of our consultants only for the hours that we bill to our clients for projects undertaken, which allows us to better match our labor costs with our revenue generation. With respect to our consultant employees, we are responsible for employment-related taxes, medical and health care costs and workers' compensation. Labor costs are sensitive to shifts in the supply and demand of IT professionals, as well as increases in the costs of benefits and taxes.

As previously noted, the December 9, 2004 acquisition of NetFabric Corp. was accounted for as a reverse merger whereby NetFabric Corp. was treated as the acquirer. Accordingly, the historical financial statements of NetFabric Corp. have been presented for all periods required. NetFabric Corp. began operations in January 2003 and was a development stage company until the UCA Services acquisition. The UCA Services acquisition was accounted for using the purchase method of accounting with the results of the operations included in the Company's consolidated financial statements from the date of acquisition.

COMPARISON OF THREE AND SIX MONTHS ENDED JUNE 30, 2008 AND 2007:

Revenues.
Revenues of the three months ended June 30, 2008, increased by $2,221,796 or 54.1% compared to the same period of the prior year. For the six months ended June 30, 2008, revenues increased by $2,98,850 or 35.4%. The increase in revenues were due to new projects undertaken in 2008.

Direct employee compensation and consultant expenses.
Excluding non-cash share based compensation, for the three months ended June 30, 2008, our direct employee compensation and consultant expenses increased by $,1882,657 or 60.5% to $4,995,059. For six months ended June 30, 2008, our direct employee compensation and consultant expenses excluding non-cash share based compensation increase by $2,411,704 or 37.3% to $8,872,391 compared to the same period of the prior year. Excluding non-cash share based compensation as a percentage of revenues our direct employee compensation and consultant expenses for the three and six months ended June 30, 2008 were 78.9 and 78.2% , respectively, compared to 75.7% and 77.1%, respectively in 2007. The increases in employee compensation and consultant expenses as a percentage of revenues were due to the nature of projects performed in 2008.

Selling, general and administrative expenses.
Excluding non-cash share based compensation, our selling, general and administrative expenses decreased for the three months ended June 30, 2008 by $346,197, or 27.4%, to $919,253 compared to 2007. For the six months ended June 30, 2008, our selling, general and administrative expenses excluding non-cash share based compensation decreased by $844,013 or 31.8% to $1,811,064 compared to the same period of prior year. During the six months ended June 30, 2007, we incurred approximately $162,000 in expenses ($240,000 including the fair value of shares of common stock issued) for an acquisition of an entity and the related financing. We terminated the acquisition related negotiation in April 2007 and the entire amount incurred was charged to operations during the three months ended March 31, 2007. The decreases in our selling, general and administrative expenses for the three and six months ended June 30, 2008 compared to the same period of prior year were due to expense reductions implemented in the third quarter of 2007.

Depreciation and amortization.
For three months ended June 30, 2008, depreciation and amortization decreased by $35,3571 or 32.6%, to $73,172. For six months ended June 30, 2008, depreciation and amortization decreased by $41,718 or 21.1%, to $156,045.

Amortization of debt discount.
Amortization of debt discount for the three months ended June 30, 2008 decreased by $6,783, or 3.5%, to $186,895. For the six months ended June 30, 2008 amortization of debt discount decreased by $1,212 or 0.3% to $368,261 As of June 30, 2008, the aggregate unamortized debt discount was $486,900, which will be amortized and charged to operations over the term of the respective debt.

Interest expense.
For the three months ended June 30, 2008, interest expense decreased by $7,026. Interest expense for the six months ended June 30, 2008, increased by $26,116. The increase was due to additional interest payable to Laurus due to different terms negotiated with Laurus.

Discontinued Operations.
On May 5, 2006, our Board of Directors decided to exit from the hardware-based VoIP communications product line (including resale of transport services) that is targeted to SMBs. In accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets", ("SFAS No. 144"), the results of operations from the VoIP business segment has been reclassified as discontinued operations for all periods presented. For the three months and six months ended June 30, 2008, losses from discontinued operations were $0 and $0, respectively. For the three and six months ended June 30, 2007, losses from discontinued operations were $53,398. Revenues from VoIP operations have been nominal in all periods presented and operating expenses are the losses reported.

Goodwill impairment

Pursuant to SFAS No. 142 “Goodwill and Other Intangibles Assets,” (“SFAS No. 142”), the Company performed its annual testing of goodwill impairment for the second quarter ended June 30, 2007. As a part of goodwill impairment testing, management reviewed various factors, such as the market price of the Company’s common stock, discounted cash flows from projected earnings and values of comparable companies to determine whether impairment exists. Based on this evaluation it was determined that the goodwill was impaired. The impairment was due to a continued decline in our market capitalization during the six months ended June 30, 2007 and due to lower future cash flows expected to be generated by the business due to working capital constraints. The implied value of the goodwill was $10,585,000 compared to a carrying value of $13,982,451, indicating an impairment of $3,397,451. The impairment loss was charged to operations during the three months ended June 30, 2007.

Net loss.
As a result of the foregoing, for the three months ended June 30, 2008, net loss decreased by $4,127,909, or 98.3%, to a loss of $71,316, compared to a net loss of $4,199,225 in the three months ended June 30, 2008. For the six months ended June 30, 2008, net loss decreased by $4,787,932 or 92.2% to a loss of $404,927 compared to a net loss of $5,192,859 in the six months ended June 30, 2007.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2008, our working capital deficiency was $5,976,624, compared to a working capital deficiency of $4,937,149 on December 31, 2007. The increase in the working capital deficiency was principally due to operating losses and due to reclassification of convertible note due in March 2009 as a current liability. During the six months ended June 30, 2008, our operating activities from continuing operations provided approximately $268,000 of cash, compared to approximately $74,000 provided during the six months ended June 30, 2007.

During the six months ended June 30, 2008, our operating losses, after adjusting for non-cash items, provided approximately $522,000 of cash, and working capital items used approximately $254,000 of cash. The principal component of these working capital changes was an increase in our deferred revenues and accounts payable off set by an increase in accounts receivable. During the six months ended June 30, 2007, our operating losses, after adjusting for non-cash items, utilized approximately $898,000 of cash, and working capital items provided approximately $973,000 of cash.

During the six months ended June 30, 2008, we borrowed an aggregate of $400,000, repaid an aggregate of $620,000 previously borrowed amounts from six individuals. The aggregate amount of short term borrowings outstanding as of June 30, 2008 is $750,000. The borrowings outstanding at June 30, 2008 are due at various dates through February 2009.

We evaluated several options for obtaining financing to fund our working capital requirements and to retire our debt upon maturity. We had approximately $3.9 million debt that was due in the first quarter of 2009. After several discussions and negotiations, we concluded that the most viable option would be to sell the operations of UCA Services. This would not only provide us financing but also enable UCA Services to grow to its optimal potential with appropriate financial backing.

On March 12, 2009, we along with our wholly-owned subsidiary, NetFabric Technologies, Inc., d/b/a UCA Services, Inc. ("UCA") entered into a Convertible Note Purchase Agreement with Fortify Infrastructure Services, Inc. ("Fortify). Pursuant to the Convertible Note Purchase Agreement, Fortify purchased a Secured Convertible Promissory Note (the "Note") from UCA in the principal amount of $5 million with the Company being a guarantor for UCA's borrowings.

The Note has a six-month term, and bears interest at 8% per annum, compounded annually. The Note is secured by (i) all of the assets of UCA and the Company, and (ii) all of the equity securities of UCA currently owned or hereafter acquired by the Company. At the exclusive option of Fortify, Fortify may convert the entire principal amount of, and accrued and unpaid interest on, the Note into shares of Series A Preferred Stock of UCA. The conversion price shall be at a price equal to the price per share reflecting a valuation of UCA equal to $5 million, on an as-converted basis.

Fortify, UCA and the Company also entered into a Credit Agreement whereby Fortify agreed to provide UCA a revolving line of credit of up to $1 million for working capital purposes. Amounts borrowed under the line of credit are secured by (i) all of the assets of UCA and the Company and (ii) all of the equity securities of UCA currently owned or hereafter acquired by the Company.

Fortify, UCA and the Company also entered into an Option and Purchase Agreement ("Option Agreement'). Pursuant to the Option Agreement, Fortify has an option to acquire all of the outstanding shares of common stock of UCA upon effectiveness of this Information Statement. Upon exercise of the Option by Fortify, we will (a) receive an aggregate purchase price of $500,000, *less* the amount of accrued and unpaid interest, if any, on the Note, and (b) be released from the guaranty obligations of the Note. The Company and certain employees of UCA will also be eligible to receive earn-out payments in connection with the closing of the Option based upon achievement of certain financial thresholds during a 24-month period following the closing.

We used approximately $3 million from the proceeds of the Note to repay all amounts owed to Laurus Master Fund. The balance of the proceeds was used for repayment of debt, other payables and for working capital purposes.

On August 24, 2009, we along with our wholly-owned subsidiary, UCA and Fortify entered into Amendment No. 1 ("Amendment") to the Option and Purchase Agreement ("Option Agreement") in connection with the closing of Fortify's purchase of all of the outstanding capital stock of UCA upon exercise of its option granted under the Option Agreement. Pursuant to the Amendment, among other things, the Secured Convertible Promissory Note in the principal amount of $5 million issued by UCA to Fortify was cancelled, releases of certain obligations of the parties were granted as specified in the Amendment , and the commencement date and measurement period for the earn-out and bonuses provided for in the Option Agreement were modified.

After the divesture of UCA, we will have no operations. However, the Company will be debt free. We will explore strategic alternatives, including merging with another entity. Currently, we do not have any agreement or understanding with any entity and there is no assurance that such a transaction will ever be consummated.

ITEM 4. CONTROLS AND PROCEDURES

A. EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES:

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed under the Exchange Act are accumulated and communicated to management, including the Chief Executive Officer ("CEO"") and Chief Financial Officer ("CFO") , as appropriate, to allow timely decisions regarding required disclosure. As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with participation of our management, including our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon and as of the date of that evaluation, the CEO and CFO concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act are recorded, processed, summarized and reported as and when required.

B. CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING:

There were no changes in our internal controls over financial reporting during the most recent fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company from time to time is involved in routine legal matters incidental to business. In the opinion of management, the ultimate resolution of such matters will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

(a) Exhibits:

31.1 Rule 13a-14(a)/15d-14(a) Certification (CEO)

31.2 Rule 13a-14(a)/15d-14(a) Certification (CFO)

32.1 Section 1350 Certification (CEO)

32.2 Section 1350 Certification (CFO)

SIGNATURES

In accordance with the requirements of Section 13 or 15(d) of the Securities Exchange Act , the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 19, 2010	By:	/s/ Fahad Syed Name: Fahad Syed Title: Chairman and Chief Executive Officer
	By:	/s/ Vasan Thatham Name: Vasan Thatham Title: Principal Financial Officer and Vice President

EXHIBIT 31.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Fahad Syed certify that:

1. I have reviewed this quarterly report on Form 10-Q of NetFabric Holdings, Inc. (the “ Company”).

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d15(e) for the Company and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

February 19, 2010	By:	/s/ Fahad Syed
		Name: Fahad Syed
		Title: Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Vasan Thatham certify that:

1. I have reviewed this quarterly report on Form 10-Q of NetFabric Holdings, Inc. (the " Company").

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d15(e) for the Company and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

February 19, 2010	By:	/s/ Vasan Thatham
		Name: Vasan Thatham
		Title: Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of NetFabric Holdings, Inc. (the “ Company”) on Form 10-Q for the period ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Fahad Syed Chairman and Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

February 19, 2009	By:	/s/ Fahad Syed
		Name: Fahad Syed
		Title: Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to NetFabric Holdings, Inc. and will be retained by NetFabric Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of NetFabric Holdings, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Vasan Thatham, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

February 19, 2009	By:	/s/ Vasan Thatham
		Name: Vasan Thatham
		Title: Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to NetFabric Holdings, Inc. and will be retained by NetFabric Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.