

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. \_\_)\*

NETFABRIC HOLDINGS, INC.

-----  
(Name of Issuer)

Common Stock, par value \$0.001 per share

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(Title of Class of Securities)

64111Y107

-----  
(CUSIP Number)

February 10, 2006

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule 13G is filed:

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

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 64111Y107

1 NAME OF REPORTING PERSON: Laurus Master Fund, Ltd.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON: 98-0337673

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

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NUMBER OF 5 SOLE VOTING POWER:

SHARES 0 shares of Common Stock.\*

BENEFICIALLY OWNED BY EACH REPORTING PERSON 6 SHARED VOTING POWER:

5,904,902 shares of Common Stock.\*

7 SOLE DISPOSITIVE POWER:

0 shares of Common Stock.\*

8 SHARED DISPOSITIVE POWER:

5,904,902 shares of Common Stock.\*

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,904,902 shares of Common Stock.

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

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

7.32%\*

12 TYPE OF REPORTING PERSON

CO

\* Based on 74,773,883 shares of the common stock, par value \$0.001 per share (the "Shares") of Netfabric Holdings, Inc., a Delaware corporation (the "Company") outstanding, as disclosed in the Company's Quarterly Report on Form 10QSB/A for the quarterly period ended September 30, 2006. As of February 10, 2006, Laurus Master Fund, Ltd. (the "Fund") held (i) a common stock purchase warrant (the "Warrant") to acquire 4,256,550 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (ii) a secured convertible note (the "Note") in the aggregate initial principal amount of \$1,500,000 which is convertible into Shares at a conversion rate of \$0.91 per Share, subject to certain adjustments. The Warrant and Note contain an issuance limitation prohibiting the Fund from exercising those securities to the extent that such exercise would result in beneficial ownership by the Fund of more than 9.99% of the Shares then issued and outstanding (the "Issuance Limitation"). The Issuance Limitation may be waived by the Fund upon 75 days' prior notice to the Company and shall automatically become null and void following notice to the Issuer of the occurrence and/or continuance of an Event of Default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and share sole voting and investment power over the securities owned by the Fund reported in this Schedule 13G, as amended.

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CUSIP No. 64111Y107  
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1 NAME OF REPORTING PERSON: Laurus Capital Management, LLC

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON: 13-4150669  
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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)   
(b)

3 SEC USE ONLY  
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4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware  
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NUMBER OF 5 SOLE VOTING POWER:  
SHARES  
BENEFICIALLY 0 shares of Common Stock.\*  
OWNED BY  
EACH 6 SHARED VOTING POWER:  
REPORTING 5,904,902 shares of Common Stock.\*  
PERSON

7 SOLE DISPOSITIVE POWER:  
0 shares of Common Stock.\*  
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8 SHARED DISPOSITIVE POWER:  
5,904,902 shares of Common Stock.\*  
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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,904,902 shares of Common Stock.  
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10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

7.32%  
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12 TYPE OF REPORTING PERSON

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\* Based on 74,773,883 shares of the common stock, par value \$0.001 per share (the "Shares") of Netfabric Holdings, Inc., a Delaware corporation (the "Company") outstanding, as disclosed in the Company's Quarterly Report on Form 10QSB/A for the quarterly period ended September 30, 2006. As of February 10, 2006, Laurus Master Fund, Ltd. (the "Fund") held (i) a common stock purchase warrant (the "Warrant") to acquire 4,256,550 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (ii) a secured convertible note (the "Note") in the aggregate initial principal amount of \$1,500,000 which is convertible into Shares at a conversion rate of \$0.91 per Share, subject to certain adjustments. The Warrant and Note contain an issuance limitation prohibiting the Fund from exercising those securities to the extent that such exercise would result in beneficial ownership by the Fund of more than 9.99% of the Shares then issued and outstanding (the "Issuance Limitation"). The Issuance Limitation may be waived by the Fund upon 75 days' prior notice to the Company and shall automatically become null and void following notice to the Issuer of the occurrence and/or continuance of an Event of Default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and share sole voting and investment power over the securities owned by the Fund reported in this Schedule 13G, as amended.

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CUSIP No. 64111Y107  
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1 NAME OF REPORTING PERSON:

David Grin  
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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)   
(b)

3 SEC USE ONLY  
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4 CITIZENSHIP OR PLACE OF ORGANIZATION

Israel  
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NUMBER OF 5 SOLE VOTING POWER:  
SHARES

BENEFICIALLY 0 shares of Common Stock.\*  
OWNED BY

EACH 6 SHARED VOTING POWER:

REPORTING 5,904,902 shares of Common Stock.\*  
PERSON

7 SOLE DISPOSITIVE POWER:

0 shares of Common Stock.\*  
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8 SHARED DISPOSITIVE POWER:

5,904,902 shares of Common Stock.\*  
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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,904,902 shares of Common Stock.  
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10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

7.32%  
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12 TYPE OF REPORTING PERSON

IN  
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\* Based on 74,773,883 shares of the common stock, par value \$0.001 per share (the "Shares") of Netfabric Holdings, Inc., a Delaware corporation (the "Company") outstanding, as disclosed in the Company's Quarterly Report on Form 10QSB/A for the quarterly period ended September 30, 2006. As of February 10, 2006, Laurus Master Fund, Ltd. (the "Fund") held (i) a common stock purchase warrant (the "Warrant") to acquire 4,256,550 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (ii) a secured convertible note (the "Note") in the aggregate initial principal amount of \$1,500,000 which is convertible into Shares at a conversion rate of \$0.91 per Share, subject to certain adjustments. The Warrant and Note contain an issuance limitation prohibiting the Fund from exercising those securities to the extent that such exercise would result in beneficial ownership by the Fund of more than 9.99% of the Shares then issued and outstanding (the "Issuance Limitation"). The Issuance Limitation may be waived by the Fund upon 75 days' prior notice to the Company and shall automatically become null and void following notice to the Issuer of the occurrence and/or continuance of an Event of Default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and share sole voting and investment power over the securities owned by the Fund reported in this Schedule 13G, as amended.

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CUSIP No. 64111Y107  
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1 NAME OF REPORTING PERSON:

Eugene Grin  
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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)   
(b)

3 SEC USE ONLY  
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4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States  
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NUMBER OF 5 SOLE VOTING POWER:  
SHARES

BENEFICIALLY 0 shares of Common Stock.\*  
OWNED BY

EACH 6 SHARED VOTING POWER:

REPORTING 5,904,902 shares of Common Stock.\*  
PERSON

7 SOLE DISPOSITIVE POWER:

0 shares of Common Stock.\*  
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8 SHARED DISPOSITIVE POWER:

5,904,902 shares of Common Stock.\*  
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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,904,902 shares of Common Stock.  
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10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

9.99%  
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12 TYPE OF REPORTING PERSON

IN  
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\* Based on 74,773,883 shares of the common stock, par value \$0.001 per share (the "Shares") of Netfabric Holdings, Inc., a Delaware corporation (the "Company") outstanding, as disclosed in the Company's Quarterly Report on Form 10QSB/A for the quarterly period ended September 30, 2006. As of February 10, 2006, Laurus Master Fund, Ltd. (the "Fund") held (i) a common stock purchase warrant (the "Warrant") to acquire 4,256,550 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (ii) a secured convertible note (the "Note") in the aggregate initial principal amount of \$1,500,000 which is convertible into Shares at a conversion rate of \$0.91 per Share, subject to certain adjustments. The Warrant and Note contain an issuance limitation prohibiting the Fund from exercising those securities to the extent that such exercise would result in beneficial ownership by the Fund of more than 9.99% of the Shares then issued and outstanding (the "Issuance Limitation"). The Issuance Limitation may be waived by the Fund upon 75 days' prior notice to the Company and shall automatically become null and void following notice to the Issuer of the occurrence and/or continuance of an Event of Default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and share sole voting and investment power over the securities owned by the Fund reported in this Schedule 13G, as amended.

Item 1(a). Name of Issuer: Netfabric Holdings, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:  
Three Stewart Court Denville, New Jersey, 07834

Item 2(a). Name of Person Filing: Laurus Master Fund, Ltd.

This Schedule 13G, as amended, is also filed on behalf of Laurus Capital Management, LLC, a Delaware limited liability company, Eugene Grin and David Grin. Laurus Capital Management, LLC manages Laurus Master Fund, Ltd. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and share sole voting and investment power over the shares owned by Laurus Master Fund, Ltd. Information related to each of Laurus Capital Management, LLC, Eugene Grin and David Grin is set forth on Appendix A hereto.

Item 2(b). Address of Principal Business Office or if none, Residence:  
c/o Laurus Capital Management, LLC,  
825 Third Avenue, 14th Floor,  
New York, NY 10022

Item 2(c). Citizenship: Cayman Islands

Item 2(d). Title of Class of Securities: Class A Common Stock

Item 2(e). CUSIP Number: 64111Y107

Item 3. Not Applicable

Item 4. Ownership:

(a) Amount Beneficially Owned: 5,904,902 shares of Common Stock\*

(b) Percent of Class: 7.32%\*

- (c) Number of shares as to which such person has:
- (i) sole power to vote or to direct the vote: 0 shares of Common Stock\*
  - (ii) shared power to vote or to direct the vote: 5,904,902 shares of Common Stock\*
  - (iii) sole power to dispose or to direct the disposition of: 0 shares of Common Stock\*
  - (iv) shared power to dispose or to direct the disposition of: 5,904,902 shares of Common Stock\*

- Item 5. Ownership of Five Percent or Less of a Class: Not applicable
- Item 6. Ownership of More than Five Percent on Behalf of Another Person: Not applicable
- Item 7. Identification and Classification of Subsidiary Which Acquired the Securities: Not applicable
- Item 8. Identification and Classification of Members of the Group: Not applicable
- Item 9. Notice of Dissolution of Group: Not applicable
- Item 10. Certification:

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

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\* Based on 74,773,883 shares of the common stock, par value \$0.001 per share (the "Shares") of Netfabric Holdings, Inc., a Delaware corporation (the "Company") outstanding, as disclosed in the Company's Quarterly Report on Form 10QSB/A for the quarterly period ended September 30, 2006. As of February 10, 2006, Laurus Master Fund, Ltd. (the "Fund") held (i) a common stock purchase warrant (the "Warrant") to acquire 4,256,550 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (ii) a secured convertible note (the "Note") in the aggregate initial principal amount of \$1,500,000 which is convertible into Shares at a conversion rate of \$0.91 per Share, subject to certain adjustments. The Warrant and Note contain an issuance limitation prohibiting the Fund from exercising those securities to the extent that such exercise would result in beneficial ownership by the Fund of more than 9.99% of the Shares then issued and outstanding (the "Issuance Limitation"). The Issuance Limitation may be waived by the Fund upon 75 days' prior notice to the Company and shall automatically become null and void following notice to the Issuer of the occurrence and/or continuance of an Event of Default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and share sole voting and investment power over the securities owned by the Fund reported in this Schedule 13G, as amended.

SIGNATURE

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

February 14, 2007

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Date

/s/ Eugene Grin

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Eugene Grin  
Director



APPENDIX A

- A. Name: Laurus Capital Management, LLC,  
a Delaware limited liability company  
Business Address: 825 Third Avenue, 14th Floor  
New York, New York 10022  
Place of Organization: Delaware
- B. Name: Eugene Grin  
Business Address: 825 Third Avenue, 14th Floor  
New York, New York 10022  
  
Principal Occupation: Director of Laurus Master Fund, Ltd.  
Principal of Laurus Capital Management, LLC  
Citizenship: United States
- C. Name: David Grin  
Business Address: 825 Third Avenue, 14th Floor  
New York, New York 10022  
  
Principal Occupation: Director of Laurus Master Fund, Ltd.  
Principal of Laurus Capital Management, LLC  
Citizenship: Israel

Each of Laurus Capital Management, LLC, Eugene Grin and David Grin hereby agrees, by their execution below, that the Schedule 13G, as amended, to which this Appendix A is attached is filed on behalf of each of them, respectively.

Laurus Capital Management, LLC

/s/ Eugene Grin

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Eugene Grin  
Principal  
February 14, 2007

/s/ David Grin

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David Grin, on his individual behalf  
February 14, 2007

/s/ Eugene Grin

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Eugene Grin, on his individual behalf  
February 14, 2007