

U.S. Securities and Exchange Commission
Washington, D.C. 20549

Form 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2006

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission File No. 000-27836

ORTHODONTIX, INC.

(Exact name of small business issuer as specified in its
charter)

Florida

65-0643773

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

1428 Brickell Avenue, Suite 105
Miami, Florida 33131

(Address of principal executive offices)

(305) 371-4112

(Issuer's Telephone Number)

(Former name, former address and former fiscal year,
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 No

Indicate by check mark whether the registrant is a shell company (as defined
in Rule 12b-2 of the Exchange Act).

Yes No

On August 9, 2006, the number of shares of outstanding Common Stock of
the issuer was 5,830,856.

Transitional Small Business Disclosure Format (check one) Yes No

ORTHODONTIX, INC.
FORM 10-QSB
QUARTER ENDED June 30, 2006

TABLE OF CONTENTS

PART I: FINANCIAL INFORMATION	
Item 1. Financial Statements	1
Item 2. Management's Discussion and Analysis or Plan of Operation	1
Item 3. Controls and Procedures	2
PART II: OTHER INFORMATION	
Item 1. Legal Proceedings	3
Item 2. Changes in Securities	3
Item 3. Defaults upon Senior Securities	3
Item 4. Submission of Matters to a Vote of Security Holders	3
Item 5. Other Information	3
ITEM 6. Exhibits	3
SIGNATURES	4
INDEX TO FINANCIAL STATEMENTS	F-1
EXHIBIT INDEX	5

PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The unaudited, condensed financial statements included herein, commencing at page F-1, have been prepared in accordance with the requirements of Regulation S-B and, therefore, omit or condense certain footnotes and other information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments (including all normal recurring adjustments) necessary for a fair presentation of the financial information for the interim periods reported have been made.

Results of operations for the three months ended June 30, 2006, are not necessarily indicative of the results of operations expected for the year ending December 31, 2006.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion with regard to the Company's financial condition and operating results contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current plans and expectations of Orthodontix, Inc. (the "Company") and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual results to differ include, among others, the Company's inability to consummate an acquisition of an operating business on terms favorable to the Company or, in the event the Company does consummate the transaction contemplated, the Company's ability to successfully manage and operate the combined business.

The discussion of the Company's financial condition and plan of operation should be read in conjunction with the Company's unaudited, condensed financial statements and notes thereto included elsewhere in this Report and the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission.

FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005

For the six months ended June 30, 2006, the Company had net income of approximately \$17,700 or less than \$0.01 per share. General and administrative expenses for the six-month period were approximately \$47,200. Interest income was approximately \$16,900. The Company also had other income of \$48,000 from the reversal of an income tax accrual from 2001.

For the six months ended June 30, 2005, the Company had a net loss of approximately \$23,100 or less than \$0.01 per share. General and administrative expenses for the period were approximately \$31,300. Interest income was approximately \$4,000, and the Company had other income of \$4,200 from reversal of an account payable that was not required to be paid.

The Company does not expect to generate operating revenues or net income until such time as it effects a business combination with an operating company. However, in the event the Company does consummate a merger or an acquisition of an operating company, there can be no assurances that the combined operation will operate profitably.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2006, the Company had cash and cash equivalents of approximately \$924,900 and total liabilities of \$13,500. The Company's cash is primarily invested in certificates of deposit. The Company continues to anticipate that the primary uses of working capital will include general and administrative expenses and costs associated with seeking to locate and consummate a business combination. The Company believes that its operating funds will be sufficient for its cash expenses for at least the next twelve months.

PLAN OF OPERATION

Management of the Company intends to continue devoting substantially all of its time to consummating a merger or acquisition with an operating business and has evaluated numerous companies and other business combinations. The Company has focused its efforts on businesses operating in selected industries including aircraft maintenance and related service companies, health care, pharmaceutical, biotechnology, banking and financial services. In the event the Company locates an acceptable operating business, the Company intends to effect the transaction utilizing any combination of its common stock, cash on hand, or other funding sources that the Company reasonably believes are available. The Company currently has no contractual commitment with regard to effecting an acquisition or other business combination with an operating company.

Although the Company believes that it will be successful in consummating a business combination with an operating company, there can be no assurances that the Company will enter into such a transaction in the near term or on terms favorable to the Company, or that other funding sources will be available.

ITEM 3. CONTROLS AND PROCEDURES

As of June 30, 2006, the Company's President and Chief Executive Officer and its Acting Chief Financial Officer evaluated the Company's disclosure controls and procedures and they concluded that the Company maintains effective disclosure controls and procedures. There have been no significant changes in internal control over financial reporting that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting subsequent to the Evaluation Date.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

On or about June 23, 2006, the Company advised its shareholders that the holders of a majority of the Company's outstanding stock had approved an increase in the number of authorized shares of Common Stock of the Company. The Company amended its Articles of Incorporation on July 14, 2006 to provide for 1.5 billion shares of Common Stock.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

(a) Exhibits.

Exhibit 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a)

Exhibit 31.2 Certification of Acting Chief Financial Officer pursuant to Rule 13a-14(a)

Exhibit 32 Certification pursuant to Rule 13a-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Title 18, United States Code)

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ORTHODONTIX, INC.
(Registrant)

Dated: August 11, 2006

By: /s/ Glenn L. Halpryn

Glenn L. Halpryn
Chairman and President (Principal
Executive Officer)

Dated: August 11, 2006

By: /s/ Alan Jay Weisberg

Alan Jay Weisberg
Acting Chief Financial Officer
(Principal Financial and
Accounting Officer)

INDEX TO FINANCIAL STATEMENTS

	Pages
Balance Sheet as of June 30, 2006 (Unaudited)	F-2
Statements of Operations for the Three Months and Six Months Ended June 30, 2006 and 2005 (Unaudited)	F-3
Statements of Cash Flows for the Six Months Ended June 30, 2006 and 2005 (Unaudited)	F-4
Notes to Unaudited Financial Statements	F-5 - F-7

ORTHODONTIX, INC.
BALANCE SHEET

ASSETS	JUNE 30, 2006 (UNAUDITED)

Current assets:	
Cash and cash equivalents	\$ 924,871
Prepaid expenses	20,691

Total current assets	\$ 945,562
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	\$ 10,530
Accounts payable-related parties	2,950

Total current liabilities	13,480

Stockholders' equity:	
Preferred stock, \$.0001 par value, 100,000,000 shares authorized, no shares issued and outstanding	-
Common stock, \$.0001 par value, 1,500,000,000 shares authorized, 5,830,856 shares issued and outstanding	583
Additional paid-in capital	4,726,530
Accumulated deficit	(3,795,031)

Total stockholders' equity	932,082

Total liabilities and stockholders' equity	\$ 945,562
	=====

See accompanying notes to unaudited financial statements.

ORTHODONTIX, INC.
 STATEMENTS OF OPERATIONS
 (UNAUDITED)

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2006	2005	2006	2005
Operating expenses				
General and administrative expenses	\$ 26,112	\$ 20,445	\$ 47,223	\$ 31,308
Total operating expenses	\$ 26,112	20,445	47,223	31,308
Loss from operations	\$ (26,112)	\$ (20,445)	\$ (47,223)	\$ (31,308)
Other income:				
Interest income	7,010	3,455	16,874	3,959
Other income	48,000	4,214	48,000	4,214
Total other income	\$ 55,010	\$ 7,669	\$ 64,874	\$ 8,173
Income (Loss) before provision for income taxes	28,898	(12,776)	17,651	(23,135)
Provision for income taxes	-	-	-	-
Net Income (Loss)	\$ 28,898	(12,776)	17,651	(23,135)
Net Income (Loss) per share-Basic and Diluted	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.01)
Weighted average number of shares outstanding during the period - basic and diluted	5,830,856	2,915,428	5,830,856	2,915,428

See accompanying notes to unaudited financial statements.

ORTHODONTIX, INC.
 STATEMENTS OF CASH FLOWS
 (UNAUDITED)

	FOR THE SIX MONTHS ENDED JUNE 30,	
	2006	2005
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 17,651	\$ (23,135)
Adjustments to reconcile net income to net cash used in operating activities:		
Changes in operating assets and liabilities	(78,018)	(25,424)
Net cash used in operating activities	\$ (60,367)	\$ (48,559)
Net Decrease in Cash and Cash Equivalents	\$ (60,367)	\$ (48,559)
Cash at beginning of period	\$ 985,238	\$ 563,712
Cash at end of period	\$ 924,871	\$ 515,153
Supplemental Disclosure of Cash Paid for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

See accompanying notes to unaudited financial statements.

1. BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position and results of operations.

It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation. The results for the interim period are not necessarily indicative of the results to be expected for the year.

For further information, refer to the audited financial statements and footnotes of the Company for the year ended December 31, 2005 included in the Company's Form 10-KSB.

2. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

On April 16, 1998, Orthodontix, Inc. and subsidiaries ("Orthodontix" or the "Company") consummated a merger (the "Merger") with Embassy Acquisition Corp. ("Embassy"), a publicly held Florida corporation. Simultaneously with the closing of the Merger, the Company acquired certain assets and assumed certain liabilities of 26 orthodontic practices (the "Founding Practices").

During the year ended December 31, 1999, the Company began to terminate its affiliation with the Founding Practices. During the year ended December 31, 2001, the Company terminated its affiliation with all 26 Founding Practices.

The accompanying unaudited financial statements have been prepared on the basis which assumes that the Company will continue to operate as a going concern and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has generated an accumulated deficit of \$3,795,031 at June 30, 2006 as a result of operations in connection with the termination of its affiliation with the Founding Practices. The Company had net income of \$17,651 for the six months ended June 30, 2006. The Company also reflects net cash used in operations of \$60,367 for the six months ended June 30, 2006.

The Company currently intends to effect a merger, acquisition or other business combination with an operating company utilizing any combination of its common stock, cash on hand or other funding sources that the Company believes are available. As of June 30, 2006, management has devoted substantially all of its time to identifying potential merger or acquisition

candidates. There can be no assurances that management's efforts to consummate a merger, acquisition or business combination with an operating company or management's efforts to identify other funding sources will be successful. The Company anticipates that its current working capital is sufficient to fund its operating expenses at their current level for at least the next twelve months. Therefore, the going concern is mitigated.

B. Concentrations

The Company maintains its cash in bank deposit accounts, which, at times, exceed federally insured limits. At June 30, 2006, the Company had deposits of \$796,422 in excess of federally insured limits. The Company has not experienced any losses in such accounts through June 30, 2006.

C. Earnings per Share

Basic earnings per share is computed by dividing the net income (loss) less preferred dividends for the period by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing net income (loss) less preferred dividends by the weighted average number of shares outstanding including the effect of share equivalents. At June 30, 2006 and 2005, respectively, there were no common share equivalents which could potentially dilute future earnings per unit.

Additionally, the Company reflected net income for the three and six months ended June 30, 2006; however, the Company applied prior net operating loss carryforwards so that there was no taxable income. As a result, there is no separate computation of diluted earnings per share.

D. Reclassifications

Certain amounts in the year 2005 financial statements have been reclassified to conform to the year 2006 presentation. Such reclassifications had no effect on the financial position, results of operations or cash flows.

3. ACCOUNTS PAYABLE

During 2006, the Company recorded other income totaling \$48,000 from an income tax accrual from 2001 that was reversed.

4. ACCOUNTS PAYABLE-RELATED PARTIES

The Company recorded \$2,950 for fees payable as compensation to members of the board of directors.

5. STOCKHOLDERS' EQUITY

On June 9, 2006, the Company's board of directors approved an increase of authorized common stock to 1,500,000,000 shares.

6. SUBSEQUENT EVENTS

On July 5, 2006, the Company's board of directors appointed an unrelated party as a director.

EXHIBIT INDEX

Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)
31.2	Certification of Acting Chief Financial Officer pursuant to Rule 13a-14(a)
32	Certification pursuant to Rule 13a-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Title 18, United States Code).

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Glenn L. Halpryn, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Orthodontix, Inc.;

2. Based on my knowledge, this 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 report;

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

4. The small business issuer'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 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer 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 small business issuer, 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) Evaluated the effectiveness of the small business issuer'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

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

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

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer'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 small business issuer's internal control over financial reporting.

Dated: August 11, 2006

/s/ Glenn L. Halpryn

Glenn L. Halpryn
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Alan Jay Weisberg, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Orthodontix, Inc.;

2. Based on my knowledge, this 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 report;

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

4. The small business issuer'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 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer 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 small business issuer, 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) Evaluated the effectiveness of the small business issuer'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

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

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

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer'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 small business issuer's internal control over financial reporting.

Dated: August 11, 2006

/s/ Alan Jay Weisberg

Alan Jay Weisberg
Acting Chief Financial Officer

CERTIFICATION PURSUANT TO RULE 13a-14(b) AND SECTION 906 OF THE SARBANES-
OXLEY ACT OF 2002 (SUBSECTIONS (a) AND (b) OF SECTION 1350, TITLE 18, UNITED
STATES CODE)

In connection with the Quarterly Report on Form 10-QSB of Orthodontix, Inc. for the period ended June 30, 2006, as filed with the Securities and Exchange Commission (the "Report"), we, Glenn L. Halpryn, Chief Executive Officer of Orthodontix, Inc., and Alan Jay Weisberg, Acting Chief Financial Officer of Orthodontix, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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 results of operations of Orthodontix, Inc.

Dated: August 11, 2006

/s/ Glenn L. Halpryn

Glenn L. Halpryn
Chief Executive Officer

Dated: August 11, 2006

/s/ Alan Jay Weisberg

Alan Jay Weisberg
Acting Chief Financial Officer

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