

CASTELLE \CA\  
Form 4  
July 18, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**ZEFF DANIEL**

(Last) (First) (Middle)

**50 CALIFORNIA STREET, SUITE 1500**

(Street)

**SAN FRANCISCO, CA 94111**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**CASTELLE \CA\ [CSTL]**

3. Date of Earliest Transaction (Month/Day/Year)  
**07/17/2006**

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |                                   |
| Common Stock <sup>(1)</sup>     | 07/17/2006                           |  | P                              | 100 <sup>(2)</sup> A \$ 2.66                                      | 372,227   | I  | See footnote <sup>(2)</sup>       |
| Common Stock <sup>(1)</sup>     | 07/17/2006                           |  | P                              | 2,600 <sup>(2)</sup> A \$ 2.68                                    | 374,827   | I  | See footnote <sup>(2)</sup>       |
| Common Stock <sup>(1)</sup>     | 07/17/2006                           |  | P                              | 7,500 <sup>(2)</sup> A \$ 2.69                                    | 382,327   | I  | See footnote <sup>(2)</sup>       |
| Common Stock <sup>(1)</sup>     | 07/17/2006                           |  | P                              | 200 <sup>(2)</sup> A \$ 2.73                                      | 382,527   | I  | See footnote <sup>(2)</sup>       |
| Common Stock <sup>(1)</sup>     | 07/17/2006                           |  | P                              | 100 <sup>(2)</sup> A \$ 2.74                                      | 382,627   | I  | See footnote <sup>(2)</sup>       |

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|                             |            |   |                      |   |         |         |   |                             |
|-----------------------------|------------|---|----------------------|---|---------|---------|---|-----------------------------|
| Common Stock <sup>(1)</sup> | 07/17/2006 | P | 400 <sup>(2)</sup>   | A | \$ 2.75 | 383,027 | I | See footnote <sup>(2)</sup> |
| Common Stock <sup>(1)</sup> | 07/17/2006 | P | 300 <sup>(2)</sup>   | A | \$ 2.77 | 383,327 | I | See footnote <sup>(2)</sup> |
| Common Stock <sup>(1)</sup> | 07/17/2006 | P | 3,000 <sup>(2)</sup> | A | \$ 2.79 | 386,327 | I | See footnote <sup>(2)</sup> |
| Common Stock <sup>(1)</sup> | 07/17/2006 | P | 300 <sup>(2)</sup>   | A | \$ 2.86 | 386,627 | I | See footnote <sup>(2)</sup> |
| Common Stock <sup>(1)</sup> | 07/17/2006 | P | 200 <sup>(2)</sup>   | A | \$ 2.9  | 386,827 | I | See footnote <sup>(2)</sup> |
| Common Stock <sup>(1)</sup> | 07/17/2006 | P | 400 <sup>(2)</sup>   | A | \$ 2.91 | 387,227 | I | See footnote <sup>(2)</sup> |

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

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SEC 1474  
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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares   |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| ZEFF DANIEL<br>50 CALIFORNIA STREET<br>SUITE 1500<br>SAN FRANCISCO, CA 94111 |               | X         |         |       |
|  |               | X         |         |       |

Zeff Holding Company, LLC  
 50 CALIFORNIA STREET  
 SAN FRANCISCO, CA 94111

Zeff Capital Partners I, L.P.  
 C/O ZEFF HOLDING COMPANY, LLC  
 50 CALIFORNIA STREET  
 SAN FRANCISCO, CA 94111

X

Spectrum Galaxy Fund Ltd.  
 50 CALIFORNIA STREET  
 SUITE 1500  
 SAN FRANCISCO, CA 94111

X

## Signatures

|   |            |
|---|------------|
| Daniel Zeff                                     | 07/18/2006 |
| **Signature of Reporting Person                 | Date       |
| Daniel Zeff for Zeff Capital Partners I, L.P.   | 07/18/2006 |
| **Signature of Reporting Person                 | Date       |
| Dion R. Friedland for Spectrum Galaxy Fund Ltd. | 07/18/2006 |
| **Signature of Reporting Person                 | Date       |
| Daniel Zeff for Zeff Holding Company, LLC       | 07/18/2006 |
| **Signature of Reporting Person                 | Date       |

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This Form 4 is being filed by Daniel Zeff, Spectrum Galaxy Fund Ltd. ("Spectrum"), Zeff Capital Partners I, L.P. ("Capital") and Zeff Holding Company, LLC ("Holding").
- This transaction was effected through Capital. Mr. Zeff is the sole manager and member of Holding, which in turn serves as the general partner for Capital. In accordance with Instruction 4(b)(iv) of Form 4, the entire amount of the Issuer's securities held by Capital is reported herein. Each of Mr. Zeff and Holding disclaims, for purposes of Section 16 of the Securities Exchange Act of 1934, beneficial ownership of such securities, except to the extent of its/his indirect pecuniary interest therein, and this report shall not be deemed an admission that any of Mr. Zeff or Holding is the beneficial owner of such securities for purposes of Section 16 or for any other purposes. Spectrum disclaims beneficial ownership over all shares held through Capital.
- (2)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.