

CASTELLE \CA\  
Form 4  
July 31, 2006

**FORM 4**

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

OMB APPROVAL

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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)  
**07/28/2006**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 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>     | 07/28/2006                           |  | P                              | 100 <sup>(2)</sup> A \$ 2.53                                      | 411,727   | I  | See footnote <sup>(2)</sup>       |
| Common Stock <sup>(1)</sup>     | 07/28/2006                           |  | P                              | 700 <sup>(2)</sup> A \$ 2.58                                      | 412,427   | I  | See footnote <sup>(2)</sup>       |
| Common Stock <sup>(1)</sup>     | 07/28/2006                           |  | P                              | 100 <sup>(2)</sup> A \$ 2.59                                      | 412,527   | I  | See footnote <sup>(2)</sup>       |
| Common Stock <sup>(1)</sup>     | 07/28/2006                           |  | P                              | 1,900 <sup>(2)</sup> A \$ 2.6                                     | 414,427   | I  | See footnote <sup>(2)</sup>       |
| Common Stock <sup>(1)</sup>     | 07/28/2006                           |  | P                              | 300 <sup>(2)</sup> A \$ 2.63                                      | 414,727   | I  | See footnote <sup>(2)</sup>       |

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|                         |            |   |                  |   |         |         |   |                         |
|-------------------------|------------|---|------------------|---|---------|---------|---|-------------------------|
| Common Stock <u>(1)</u> | 07/28/2006 | P | 300 <u>(2)</u>   | A | \$ 2.64 | 415,027 | I | See footnote <u>(2)</u> |
| Common Stock <u>(1)</u> | 07/28/2006 | P | 1,370 <u>(2)</u> | A | \$ 2.65 | 416,397 | I | See footnote <u>(2)</u> |
| Common Stock <u>(1)</u> | 07/28/2006 | P | 200 <u>(2)</u>   | A | \$ 2.66 | 416,597 | I | See footnote <u>(2)</u> |
| Common Stock <u>(1)</u> | 07/28/2006 | P | 2,500 <u>(2)</u> | A | \$ 2.67 | 419,097 | I | See footnote <u>(2)</u> |
| Common Stock <u>(1)</u> | 07/28/2006 | P | 200 <u>(2)</u>   | A | \$ 2.68 | 419,297 | I | See footnote <u>(2)</u> |
| Common Stock <u>(1)</u> | 07/28/2006 | P | 2,000 <u>(2)</u> | A | \$ 2.69 | 421,297 | I | See footnote <u>(2)</u> |
| Common Stock <u>(1)</u> | 07/28/2006 | P | 100 <u>(2)</u>   | A | \$ 2.73 | 421,397 | I | See footnote <u>(2)</u> |
| Common Stock <u>(1)</u> | 07/28/2006 | P | 2,400 <u>(2)</u> | A | \$ 2.74 | 423,797 | I | See footnote <u>(2)</u> |
| Common Stock <u>(1)</u> | 07/28/2006 | P | 6,440 <u>(2)</u> | A | \$ 2.75 | 430,237 | I | See footnote <u>(2)</u> |

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

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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 Reported Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|  |  |                                      |  |                                |   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares  |
|  |  |                                      |  |                                |   | Code   | V   | (A)  | (D)   |

