CASTELLE \CA\ Form SC 13G/A February 10, 2006

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934 (Amendment No. 8)*

Castelle

(Name of Issuer)

Common Stock, no par value
----(Title of Class of Securities)

147905-10-3 -----(CUSIP Number)

December 31, 2005

(Date of Event Which Requires Filing of This Statement)

- [] Rule 13d-1(b)
- [] Rule 13d-1(c)
- [x] 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).

CUSIP No. 147905-10-3

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Name Of Reporting Person

H&Q LONDON VENTURES

IRS Identification No. Of Above Person

94-2966540

2 Check The Appropriate Box If A Member Of A Group

(a) []

			(b) [x]
3	SEC USE ONLY		(D) [X]
4	Citizenship	England	
NITT	MDED OF	5 Sole Voting Power	-0-
	MBER OF SHARES	6 Shared Voting Power	191,992
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	PORTING SON WITH	8 Shared Dispositive Power	191,992
9	Aggregate Am Person	ount Beneficially Owned By Each Re	porting 191,992
10	Check Box If Certain Shar	The Aggregate Amount In Row (9) Ees*	excludes
11	Percent Of (lass Represented By Amount In Row	9 4.8%
12	Type Of Repo	rting Person*	PN
CUSIP	No. 147905-1	0-3 SCHEDULE 13G	Page 3 of 10
1	Name Of Repo	rting Person HAMBRECHT &	QUIST VENTURE PARTNERS
	IRS Identifi	cation No. Of Above Person	94-2949080
2		cation No. Of Above Person propriate Box If A Member Of A Gro	
2			
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3	Check The Ar	propriate Box If A Member Of A Gro	(a) [] (b) [x]
3 4 NU	Check The Ar SEC USE ONLY Citizenship MBER OF SHARES	propriate Box If A Member Of A Gro	cup (a) [] (b) [x] California
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1	Name Of Reporting Person			Q VENTURE	PARTNERS,	LLC
	IRS Identific	cation No	. Of Above Person			
2	Check The App	propriate	Box If A Member Of A Gro	up	(a)	[]
3	SEC USE ONLY				(b)	[x]
4	Citizenship Or Place Of Organization Californi					rnia
		5 So	le Voting Power			-0-
	MBER OF SHARES	6 Sh	ared Voting Power		191,	, 992
	EFICIALLY D BY EACH	7 So	le Dispositive Power			-0-
	PORTING SON WITH	8 Sh	ared Dispositive Power		191,	, 992
9	Aggregate Amo	ount Bene	ficially Owned By Each Re	porting	191 ,	, 992
10	Check Box If Certain Share		egate Amount In Row (9) E	xcludes		[]
11	Percent Of C	lass Repr	esented By Amount In Row	9	4	4.8%
12	Type Of Repo	rting Per	son*			00
CUSIP	No. 147905-1	0-3	SCHEDULE 13G		Page 5 of	E 10
CUSIP	No. 147905-10 Name Of Repor			ECHT & QUI	-	
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	Name Of Reporting	rting Per	son HAMBR		ST CALIFOR	RNIA
1	Name Of Reporting	rting Per	son HAMBR . Of Above Person		ST CALIFOR 94-2856 (a)	RNIA 6927
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Item 1(a). Name of Issuer.

Castelle (the "Issuer").

Item 1(b). Address of Issuer's Principal Executive Offices.

855 Jarvis Drive, Suite 100, Morgan Hill, CA 95037.

Item 2(a). Names of Persons Filing.

Reference is made to Item 1 of each of the cover pages of this Schedule, which Items are incorporated by reference herein.

Item 2(b). Address of Principal Business Office or, if none, Residence.

The address of each reporting person is 560 Mission Street, 10th Floor, San Francisco, California 94105.

Item 2(c). Citizenship.

Reference is made to Item 4 of each of the cover pages of this Schedule, which Items are incorporated by reference herein.

Item 2(d). Title of Class of Securities.

Common Stock, no par value ("Common Stock").

Item 2(e). CUSIP Number.

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Item 3. Type of Reporting Person.

Not applicable.

Item 4. Ownership.

Reference is made to Items 5-9 and 11 of each of the cover pages to this Schedule, which Items are incorporated by reference herein. According to information furnished to the reporting person by the Issuer, there were 3,986,008 shares of Common Stock issued and outstanding as of December 31, 2005. As of December 31, 2005, the only reporting person that directly owned any shares of Common Stock was H&Q London Ventures, which owned 191,992 shares.

Because voting and investment decisions concerning the above securities may be made by or in conjunction with the other reporting persons, each of the reporting persons may be deemed a member of a group that shares voting and dispositive power over all of the above securities. Although the reporting persons are reporting such securities as if they were members of a group, the filing of this Schedule shall not be construed as an admission by any reporting person that it is a beneficial owner of any securities other than those directly held by such reporting person. H&Q Holdings, Inc. may

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be deemed the beneficial owner of certain shares held by Hambrecht & Quist California because of a Participation Agreement dated as of October 1, 2000, between those two entities. Hambrecht & Quist California is an indirect wholly owned subsidiary of JPMorgan Chase & Co. Inc. which may be deemed to beneficially own any securities held by Hambrecht & Quist California.

Under the definition of "beneficial ownership" in Rule 13d-3 under the Securities Exchange Act of 1934, it is possible that the individual general partners, directors, executive officers, members and/or managers of the foregoing entities might be deemed the "beneficial owners" of some or all of the securities to which this Schedule relates in that they might be deemed to share the power to direct the voting or disposition of such securities. Neither the filing of this Schedule nor any of its contents shall be deemed to constitute an admission that any of such individuals is, for any purpose, the beneficial owner of any of the securities to which this Schedule relates, and such beneficial ownership is expressly disclaimed.

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting persons have ceased to be the beneficial owner of more than five percent of the class of securities, check the following [x].

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

Not applicable.

Identification and Classification of the Subsidiary Which Item 7. Acquired the Security Being Reported on by the Parent Holding Company.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

Not applicable.

Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

Not applicable.

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Signature

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

DATED: February 10, 2006.

H&Q	LONDON VENTURES	НАМ	BRECHT & QUIST CALIF	ORNIA
Ву:	Jackie A. Berterretche Attorney-in-Fact	Ву:	/s/ Steven N. Machtinge General Counsel	
	BRECHT & QUIST VENTURE			
Ву:	Jackie A. Berterretche Attorney-in-Fact			
H&Q	VENTURE PARTNERS, LLC			
Ву:	/s/			
CUSI	IP No. 147905-10-3	SCHE	DULE 13G	Page 9 of 10
		EXHIB	IT INDEX	
Exhi	ibit A	Joint Fili	ng Undertaking	Page 10
CUSI	IP No. 147905-10-3	SCHE	DULE 13G	Page 10 of 10
		JOINT FILI	NG UNDERTAKING	
of t	The undersigned as agreement as an exhibition and parties, securities Exchange Actions and behalts.	it to this , in accord t of 1934,	ance with rules prom to file this Schedul	ence the agreement ulgated pursuant to
DATE	ED: February 10, 2006.			
H&Q	LONDON VENTURES	НАМ	BRECHT & QUIST CALIF	ORNIA
Ву:	Jackie A. Berterretche Attorney-in-Fact	Ву:	/s/ Steven N. Machtinge General Counsel	

	BRECHT & QUIST VENTURE INERS
ву:	/s/ Jackie A. Berterretche Attorney-in-Fact
H&Q	VENTURE PARTNERS, LLC
Ву:	/s/