H&Q LONDON VENTURES 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)

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

- [] 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) []

3	SEC USE ONLY			(b) [x]	
4	Citizenship Or Place Of Organization Englar				
		5	Sole Voting Power	-0-	
	MBER OF SHARES	6	Shared Voting Power	191,992	
OWNE	EFICIALLY D BY EACH PORTING	7	Sole Dispositive Power	-0-	
	SON WITH	8	Shared Dispositive Power	191,992	
9	Aggregate Am Person	ount E	Beneficially Owned By Each Reporting	191 , 992	
10	Check Box If Certain Shar		Aggregate Amount In Row (9) Excludes	[]	
11	Percent Of C	lass F	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 VE	NTURE PARTNERS	
	IRS Identifi	cation	n No. Of Above Person	94-2949080	
2			a No. Of Above Person ate Box If A Member Of A Group	94-2949080 (a) []	
2		propri			
	Check The App	propri		(a) []	
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1	Name Of Repo	rting Person	H&Q VENTURE PARTNERS, LLC
	IRS Identifi	cation No. Of Above Person	
2	Check The Ap	propriate Box If A Member (Of A Group (a) []
			(b) [x]
3	SEC USE ONLY		
4	Citizenship	Or Place Of Organization	California
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	SHARES	6 Shared Voting Power	191,992
OWNE	EFICIALLY D BY EACH	7 Sole Dispositive Pov	wer -0-
	PORTING RSON WITH	8 Shared Dispositive B	Power 191,992
9	Aggregate Am Person	ount Beneficially Owned By	Each Reporting 191,992
10	Check Box If Certain Shar	The Aggregate Amount In Ro	ow (9) Excludes
11	Percent Of C	ass Represented By Amount	In Row 9 4.8%
12		rting Person*	00
12	Type of Repo	tering rerson	
CUSIP	No. 147905-1)-3 SCHEDULE 130	G Page 5 of 10
CUSIP	No. 147905-1 Name Of Repo		G Page 5 of 10 HAMBRECHT & QUIST CALIFORNIA
	Name Of Repo		HAMBRECHT & QUIST CALIFORNIA
	Name Of Repo	rting Person	HAMBRECHT & QUIST CALIFORNIA 94-2856927
1	Name Of Repo	rting Person cation No. Of Above Person	HAMBRECHT & QUIST CALIFORNIA 94-2856927
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CUSIP No. 147905-10-3

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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	HAMBRECHT & QUIST CALIFOR	RNIA
Ву:	/s/Jackie A. Berterretche Attorney-in-Fact	By:/s/ Steven N. Machtinger General Counsel	
	BRECHT & QUIST VENTURE TNERS		
Ву:	/s/ Jackie A. Berterretche Attorney-in-Fact		
H&Q	VENTURE PARTNERS, LLC		
ву:	/s/ William D. Easterbrook Member-Manager		
CUS	IP No. 147905-10-3	SCHEDULE 13G	Page 9 of 10
		EXHIBIT INDEX	
Exh	ibit A	Joint Filing Undertaking	Page 10
CUS	IP No. 147905-10-3	SCHEDULE 13G	Page 10 of 10
		JOINT FILING UNDERTAKING	
of the	s agreement as an exhib the below-named parties Securities Exchange Ac	d, being duly authorized thereunt it to this Schedule 13G to eviden , in accordance with rules promul t of 1934, to file this Schedule f of each of such parties.	ce the agreement gated pursuant to
DATI	ED: February 10, 2006.		
H&Q	LONDON VENTURES	HAMBRECHT & QUIST CALIFOR	RNIA
Ву:	/s/Jackie A. Berterretche Attorney-in-Fact	By:/s/ Steven N. Machtinger General Counsel	

	BRECHT & QUIST VENTURE INERS
By:	Jackie A. Berterretche Attorney-in-Fact
H&Q	VENTURE PARTNERS, LLC
Ву:	/s/ William D. Easterbrook Member-Manager