CASTELLE \CA\ Form 4 August 17, 2005

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005 Estimated average

Form 4 or Form 5 obligations may continue. See Instruction

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

SECURITIES

burden hours per response... 0.5

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * TIERNEY PETER R			2. Issuer Name and Ticker or Trading Symbol CASTELLE \CA\ [CSTL]	5. Relationship of Reporting Person(s) to Issuer		
(Last) C/O CASTE DRIVE, SUI		(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 08/17/2005	(Check all applicable) _X_ Director 10% Owner Officer (give title below) Other (specification)		
	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person		
MORGAN HILL, CA 95037				Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tabl	le I - Non-l	Derivative	Secur	ities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year)		Code (Instr. 8)	omr Dispose (Instr. 3, 4	ed of (4 and 5 (A) or	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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	08/17/2005		Code V M	Amount 10,000	(D)	Price \$ 0.3438	10,000	D	
Common Stock	08/17/2005		M	5,000	A	\$ 0.79	15,000	D	

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. Transactic Code (Instr. 8)	5. Number of or Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		onDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4,		onDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4,		onDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4,		Derivative Expiration Date Securities (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4,		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares						
Option (Right to Buy)	\$ 0.3438	08/17/2005		M		10,000	05/14/1999	04/14/2009	Common Stock	10,000						
Option (Right to Buy)	\$ 0.79	08/17/2005		M		5,000	05/01/2002	04/01/2012	Common Stock	5,000						

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			

TIERNEY PETER R
C/O CASTELLE
855 JARVIS DRIVE, SUITE 100
MORGAN HILL, CA 95037

Signatures

/s/ Peter R. 08/17/2005 Tierney

**Signature of Date
Reporting Person

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).

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.

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