

Lavery David A
 Form 4
 February 02, 2009

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 *
 Lavery David A

2. Issuer Name and Ticker or Trading Symbol
 CALLAWAY GOLF CO [ELY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 2180 RUTHERFORD ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/29/2009

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Senior VP, Operations

CARLSBAD, CA 92008
 (City) (State) (Zip)

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

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 Reported (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|
| | | | | (A) or (D) | Transaction(s) (Instr. 3 and 4) | | |
| | | | | Code | V | Amount | (D) Price |

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

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SEC 1474
 (9-02)

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

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Num of Sh |
|---|------------------------------------|------------------|------------|--|------|---|-----|-----|---------------------|--------------------|-----------------|------------------------------|
| Non-Qualified Stock Option (right to buy) <u>(1)</u> | \$ 7.85 | 01/29/2009 | A | 98,495 | | | | | <u>(2)</u> | 01/29/2019 | Common Stock | 98,4 |
| Restricted Stock Units | <u>(3)</u> | 01/29/2009 | A | 14,862 | | | | | <u>(4)</u> | <u>(4)</u> | Common Stock | 14,8 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Lavery David A 2180 RUTHERFORD ROAD CARLSBAD, CA 92008 | | | Senior VP, Operations | |

Signatures

/s/ Brian P. Lynch Attorney-in-Fact for David A. Lavery under a Limited Power of Attorney dated July 26, 2006.

02/02/2009

__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) The transactions reported herein relate to the long-term incentive awards described in the Company's Current Report on Form 8-K dated January 20, 2009. With regard to the stock option grant reported herein, 35,155 shares of such stock option are subject to shareholder approval of additional shares authorized under the Company's 2004 Equity Incentive Plan. If shareholder approval is not obtained prior to exercise, then upon exercise the reporting person will receive, in lieu of shares, a lump sum cash payment equal to the aggregate difference between the exercise price and the closing price of the Company's common stock on the date of exercise for each option so exercised.

(2) This stock option is scheduled to vest as follows: 32,832 shares on 01/29/2010; 32,832 shares on 01/29/2011; and 32,831 shares on 01/29/2012.

(3) Each restricted stock unit represents a contingent right to receive one share of common stock.

(4) The restricted stock units are scheduled to vest on 01/29/2012.

The number of restricted stock units owned following the reported transaction includes 429.50 restricted stock units accrued as a result of dividend equivalent rights with respect to dividends paid by the Company. Of the total number of restricted stock units beneficially owned by the reporting person, 2,179.35 restricted stock units are scheduled to vest on January 16, 2010; 5,022.65 restricted stock units are scheduled to vest on August 22, 2010; 8,006.50 restricted stock units are scheduled to vest on January 14, 2011 and 14,862 restricted stock units are scheduled to vest on January 29, 2012.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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