

Lavery David A  
Form 4  
August 24, 2010

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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

(Last) (First) (Middle)

2180 RUTHERFORD ROAD

(Street)

CARLSBAD, CA 92008

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/22/2010

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)

Senior VP, Operations

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 or Price (A) or (D)			
Common Stock	08/22/2010		M		5,104 (1) (2)	A	\$ 0 7,507 (3)	D
Common Stock	08/22/2010		F		1,872 (4)	D	\$ 6.59 5,635	D
Common Stock	08/23/2010		S		3,232 (5)	D	\$ 6.47 2,403	D

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

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SEC 1474 (9-02)

number.

**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)	Amount or Number of Shares
Restricted Stock Units	(6)	08/22/2010		M	5,104.3	08/22/2010 08/22/2010	Common Stock	5,104.

## 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. 08/24/2010

\_\_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) Reflects the vesting of a prior restricted stock unit grant, which was previously reported on a Form 4 and additional restricted stock units accrued as a result of dividend equivalent rights paid by the Company pursuant to the terms of the grant.
- (2) Reflects a deduction for cash paid in lieu of fractional shares upon the settlement of the restricted stock units in shares of common stock. The amount of securities beneficially owned includes the reporting person's acquisition in exempt transactions of 2,403 shares of common stock acquired through dividend reinvestment and the Company's employee stock purchase plan since the date these holdings were last reported.
- (4) The 1,872 shares reported in this line item represent the number of shares of common stock withheld by the Company for tax purposes in connection with the vesting of the prior restricted stock unit grant.
- (5) The reported transactions occurred pursuant to the terms of a trading plan agreement entered into on November 30, 2009. The trading plan agreement is intended to comply with Rule 10b5-1(c) under the Securities Exchange Act of 1934.
- (6) Each restricted stock unit represents a contingent right to receive one share of common stock.

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- (7) The reporting person is the holder of other Restricted Stock Units as follows: 8,136.66 restricted stock units are scheduled to vest on January 14, 2011 and 15,103.61 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. 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.