

CALLAWAY GOLF  
Form 4  
June 08, 2007

**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 \*  
MCCRACKEN STEVEN C

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

CARLSBAD, CA 92008

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
06/07/2007

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)  
Sr. EVP, CAO & Secretary

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 Indirect Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	06/07/2007		M	40,700 (1) A \$ 16.56	52,173	D	
Common Stock	06/07/2007		S	40,700 (1) D \$ 18.6	11,473 (2)	D	
Common Stock					26,574	I	Trust
Common Stock					1,500	I	Spouse

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

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(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 (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 Security (Instr. 3 and 4)	8. Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 16.56	06/07/2007		M	40,700	(3) 01/29/2012	Common Stock	40,700

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCCRACKEN STEVEN C 2180 RUTHERFORD ROAD CARLSBAD, CA 92008			Sr. EVP, CAO & Secretary	

## Signatures

Brian P. Lynch Attorney-in-Fact for Steven C. McCracken under a Limited Power of Attorney dated August 21, 2002.

06/08/2007

\_\_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 reported transactions occurred pursuant to the terms of a trading plan agreement entered into on February 28, 2007. The trading plan agreement is intended to comply with Rule 10b5-1(c) under the Securities Exchange Act of 1934.

(2) 10,173 shares are subject to (i) certain restrictions on transfer and (ii) forfeiture if the reporting person ceases to be an employee of the Company. These restricted shares are scheduled to vest on January 27, 2009, subject to accelerated vesting upon certain change in control events and subject to accelerated vesting upon certain termination of employment events.

(3) The options vested and became exercisable as follows: 7,367 shares on January 29, 2004 and 33,333 shares on January 29, 2005.

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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