

CALLAWAY GOLF
Form 4
June 06, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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)
06/04/2007

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	06/04/2007		M		100,000 (1) \$ 13.25	A	111,473 D
Common Stock	06/04/2007		M		100,000 (1) \$ 12.25	A	211,473 D
Common Stock	06/04/2007		S		200,000 (1) \$ 18.29	D	11,473 (2) D
Common Stock	06/05/2007		M		50,000 (1) \$ 16.38	A	61,473 D
Common Stock	06/05/2007		S		50,000 (1) \$ 18.42	D	11,473 (2) D

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Common Stock	06/05/2007	M	59,300 (1)	A	\$ 16.56	70,773	D	
Common Stock	06/05/2007	S	59,300 (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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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 (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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Am Nur Sha
Non-Qualified Stock Option (right to buy)	\$ 13.25	06/04/2007		M	100,000	(3)	08/22/2010	Common Stock	10
Non-Qualified Stock Option (right to buy)	\$ 12.25	06/04/2007		M	100,000	(4)	01/21/2013	Common Stock	10
Non-Qualified Stock Option (right to buy)	\$ 16.38	06/05/2007		M	50,000	(3)	07/13/2011	Common Stock	50
Non-Qualified Stock Option (right to buy)	\$ 16.56	06/05/2007		M	59,300	(5)	01/29/2012	Common Stock	59

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other
Sr. EVP, CAO & Secretary

MCCRACKEN STEVEN C
2180 RUTHERFORD ROAD
CARLSBAD, CA 92008

Signatures

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

06/06/2007

__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.
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
- (2) 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: 33,334 shares on December 31, 2001, 33,333 shares on December 31, 2002 and 33,333 shares on December 31, 2003.
- (4) The options vested and became exercisable as follows: 33,334 shares on January 21, 2004, 33,333 shares on January 21, 2005 and 33,333 shares on January 21, 2006.
- (5) The options vested and became exercisable as follows: 33,334 shares on January 29, 2003, 33,333 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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