

MCCRACKEN STEVEN C
 Form 4
 May 16, 2012

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 *
 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 CO [ELY]

3. Date of Earliest Transaction (Month/Day/Year)
 05/15/2012

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 Executive VP, CAO

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 (A) or (D) Price | | |
| Common Stock | 05/15/2012 | | M | | 15,698 (1) (2) A \$ 0 42,262 | D | |
| Common Stock | 05/15/2012 | | F | | 5,758 (3) D \$ 5.46 36,504 | D | |
| Common Stock | 05/15/2012 | | M | | 62,975 (4) A \$ 0 99,479 (4) | D | |
| Common Stock | 05/15/2012 | | D | | 62,975 (4) D \$ 5.46 36,504 | D | |
| Common Stock | | | | | | I | Trust |

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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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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) | Amount of Underlying Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount of Underlying Security (Instr. 3 and 4) |
| Restricted Stock Units | \$ 0 ⁽⁵⁾ | 05/15/2012 | | M | 15,698.39 ₍₆₎ | ₍₆₎ | ₍₆₎ | Common Stock | 15,698.39 |
| Phantom Stock Units | ₍₇₎ | 05/15/2012 | | M | 62,975 | 05/15/2012 | 05/15/2012 | Common Stock | 62,975 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MCCRACKEN STEVEN C 2180 RUTHERFORD ROAD CARLSBAD, CA 92008 | | | Senior Executive VP, CAO | |

Signatures

/s/ Brian P. Lynch Attorney-in-Fact for Steven C. McCracken under a Limited Power of Attorney dated August 21, 2002. 05/16/2012

**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 vesting of prior restricted stock unit grants, which were 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 grants.
- (2) Reflects a deduction for cash paid in lieu of fractional shares upon the settlement of the restricted stock units.

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- (3) The 5,758 shares reported in this line item represent the number of shares of restricted stock withheld by the Company to satisfy tax withholding requirements in connection with the vesting of the restricted stock unit.
- (4) The Phantom Stock Units were settled in cash as per the terms of the award. For reporting purposes, however, the transaction is deemed to be a simultaneous acquisition and disposition of the underlying common stock and is reflected as such in this report.
- (5) Each restricted stock unit represents a contingent right to receive one share of common stock.
- (6) Per the terms of the reporting persons' separation from the Company, his restricted stock units have fully vested effective May, 15, 2012, relating to the 15,698.39 restricted stock units which were originally scheduled to vest on January 28, 2013.
- (7) Each Phantom Stock Unit represents a contingent right to receive a cash payment equal to the value on the vesting date of one share of the Company's Common Stock.

Remarks:

Steven C. McCracken resigned from his position as Senior Executive Vice President, Chief Administrative Officer effective M

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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