

Lavery David A  
Form 4  
August 24, 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 \*  
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)  
08/22/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sr. 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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	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 Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 17.2	08/22/2007	A	18,142					(1)	08/22/2017	Common Stock	18,142
Restricted Stock Units	(2)	08/22/2007	A	4,865					(3)	(3)	Common Stock	4,865

## Reporting Owners

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

## Signatures

Brian P. Lynch Attorney-in-Fact for David A. Lavery under a Limited Power of Attorney dated July 26, 2006 08/24/2007

\_\_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) This stock option is scheduled to vest as follows: 6,048 shares on 08/22/2008; 6,047 shares on 08/22/2009; and 6,047 shares on 08/22/2010.
- (2) Each restricted stock unit represents a contingent right to receive one share of common stock.
- (3) The restricted stock units vest on the third anniversary of the grant date.
- (4) The number of derivative securities beneficially owned following the reported transaction includes (i) 2,094 restricted stock units granted to the reporting person on January 16, 2007, (ii) 16.94 restricted stock units accrued as a result of dividend equivalent rights, and (iii) 4,865 restricted stock units granted August 22, 2007. Of the 6,975.94 restricted stock units beneficially owned by the reporting person, 2,110.94 shares are scheduled to vest on January 16, 2010 and 4,865 are scheduled to vest on August 22, 2010.

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.