Colton Jeffrey M Form 4 January 31, 2012

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16. Form 4 or

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response... 0.5

Form 5 obligations may continue. See Instruction 1(b).

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 * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Colton Jeffrey M Issuer Symbol CALLAWAY GOLF CO [ELY] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner Other (specify _X__ Officer (give title 2180 RUTHERFORD ROAD 01/27/2012 below) Senior Vice President, U.S.

(Street) 4. If Amendment, Date Original Filed(Month/Day/Year)

(7:-

6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person

CARLSBAD, CA 92008

(Ctata)

(City)	(State) (A	Table	I - Non-D	erivative S	ecurit	ies Acq	uired, Disposed of	f, or Beneficial	y Owned
1.Title of Security	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. Transactio	4. Securiti n(A) or Dis		•	5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect
(Instr. 3)		any (Month/Day/Year)	Code (Instr. 8)	(Instr. 3, 4	and 5	9)	Beneficially Owned Following	(D) or Indirect (I) (Instr. 4)	Beneficial Ownership (Instr. 4)
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)	(IIISU: 4)	(IIIsu: +)
Common Stock	01/29/2012		M	15,242 (1) (2)	A	\$ 0	25,527	D	
Common Stock	01/29/2012		F	6,158 (3)	D	\$ 6.69	19,369	D	

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	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transacti Code (Instr. 8)	5. Number of Derivative of Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title a Underly: (Instr. 3
	Security			Code V	(A)	(D)	Date Exercisable	Expiration Date	Title
Stock Appreciation Rights (SARs)	\$ 6.69	01/27/2012		A	109,789	(D)	<u>(4)</u>	01/27/2017	Comm
Phantom Stock Units	<u>(5)</u>	01/27/2012		A	17,437		01/27/2015	01/27/2015	Comm
Restricted Stock Units	\$ 0 (6)	01/29/2012		M		15,242.46 (1)	<u>(7)</u>	<u>(7)</u>	Comm

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		

Colton Jeffrey M 2180 RUTHERFORD ROAD CARLSBAD, CA 92008

Senior Vice President, U.S.

Signatures

/s/ Brian P. Lynch Attorney-in-Fact for Jeffrey M. Colton under a Limited Power of Attorney dated August 11, 2009.

01/31/2012

**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 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.
- (3) These shares represent the number of shares of common stock withheld by the Company to satisfy tax withholding requirements in connection with the vesting of the restricted stock units.
- (4) These Stock Appreciation Rights are scheduled to vest as follows: 1/3 of the SARs vest on January 27, 2013; 1/3 of the SARs vest on January 27, 2014; and 1/3 of the SARs vest on January 27, 2015.
- (5) Upon vesting, the recipient is entitled to a cash payment for each Phantom Stock Unit equal to the value on the vesting date of one share of the Company's Common Stock.

(6) Each restricted stock unit represents a contingent right to receive one share of common stock.

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(7) The restricted stock unit vested in full on January 29, 2012.

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