Colton Jeffrey M
Form 4
January 31, 2012

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
Colton Jeffrey M

(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)
01/27/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Senior Vice President, U.S.

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
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 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 a Underly (Instr. 3
								Date Exercisable	Expiration Date	Title
				Code	V	(A)	(D)			
Stock Appreciation Rights (SARs)	$ 6.69	01/27/2012		A		109,789		(4)	01/27/2017	Comm Stoc
Phantom Stock Units	(5)	01/27/2012		A		17,437		01/27/2015	01/27/2015	Comm Stoc
Restricted Stock Units	$ 0 (6)	01/29/2012		M			15,242.46 (1)	(7)	(7)	Comm Stoc

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.

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

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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