Callaway GOLF

October 6, 2009

Via e-mail: rule-comments@sec.gov

Ms. Elizabeth M. Murphy
Secretary
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: File No. S7-10-09
Release Nos. 33-9046 and 34-60089
"Facilitating Shareholder Director Nominations"

Dear Madam Secretary:

We appreciate the opportunity to provide comments on the Securities and Exchange Commission's proposal to amend Rule 14a-8 and to adopt a new Rule 14a-11, pertaining to the director nomination process (collectively, the "Proposed Rules").

Callaway Golf Company has long been a strong supporter of good corporate governance and the right of shareholders to participate meaningfully in the nomination and election process. Among other things, a substantial majority of our directors are independent; we elect our directors annually; we have a nominating and corporate governance committee comprised entirely of independent directors; we routinely adopt corporate governance reforms consistent with best practices; we have adopted procedures for shareholders to nominate directors; and we have implemented a majority voting policy. During the 2009 proxy season, the leading corporate governance rating firm rated our corporate governance practices as having outperformed 99.8% of the corporations in the S&P 400 and 99.7% of the corporations in the Consumer Durables and Apparel Group. Notwithstanding our belief in good corporate governance and shareholders having a meaningful voice in the director election process, we do not believe that the Proposed Rules should be adopted as proposed.

While we generally support the Commission's efforts to amend Rule 14a-8(i)(8) to permit shareholders to propose proxy access bylaws, we do not believe the proposed amendment should be adopted in its current form as more fully discussed below. With regard to proposed Rule 14a-11, we do not believe this rule should be adopted. We not believe the Commission should provide for a single mandated

procedure for proxy access for all public corporations. Instead, we believe the Commission should continue to pursue amendments to Rule 14a-8(i)(8) (although in a modified form from that which is currently proposed as discussed below) that would give shareholders the right to propose proxy access bylaws appropriate for each corporation's particular circumstances.

Proposed Amendments to Rule 14a-8

We generally support the Commission's efforts to amend Rule 14a-8(i)(8) to permit shareholders to propose proxy access bylaws as that is an appropriate means for corporations and their shareholders to determine a proxy access procedure that is best suited for their particular circumstances. We believe, however, that the Commission's proposed rule should be modified as follows:

- Because a proxy access proposal could significantly impact a corporation, we believe that only shareholders who have owned at least 3% of the corporation's outstanding voting shares for at least one year should be eligible to submit such a proposal. This would make more commensurate the interest of the shareholder submitting the proposal with the potential impact to the corporation.

- The Commission should specifically permit corporations to exclude from the proxy materials any shareholder proposal that would create a proxy access procedure that could result in the election of shareholder nominees of 20% or more of a corporation's board of directors. This would be consistent with our understanding that the Commission is not proposing this rule for the benefit of those seeking control of the corporation.

- The Commission should specifically permit corporations to exclude from the proxy materials any proxy access proposal if the corporation already has proxy access procedures in place, unless the proposed proxy access proposal represents a material amendment to the corporation's current procedures. It would be too disruptive to allow proxy access proposals that represent only minor changes.

In sum, we believe that the proposed amendments to Rule 14a-8(i)(8), together with the modifications described above, would sufficiently remove existing federal impediments to state law rights regarding the election of directors and would provide shareholders with meaningful participation in the director election process.

Proposed Rule 14a-11

We do not believe proposed Rule 14a-11 should be adopted. We believe that such a rule, if implemented, would result in divisive, contested director elections, politicize the director election process, disrupt and polarize boards, and discourage qualified directors from serving on boards, all to the detriment of shareholders. In addition, directors have a fiduciary duty to act in the best interest of a corporation and its shareholders when nominating directors, a duty not shared by shareholders nominating directors. As a result, we believe proposed Rule 14a-11 will result in special interest directors who further the agendas of the shareholders who nominate them and not all the shareholders.

If the Commission nevertheless proceeds with a new Rule 14a-11, we strongly urge the Commission to make certain modifications to the rule as follows:

- Need for Triggering Event. Because of the inherent disruption and expense associated with contested director elections, proxy access should be limited to those situations where it has been demonstrated that the traditional proxy process is ineffective. As a result, proxy access should apply only after the occurrence of a triggering event such as a director continuing in office after receipt of a majority of withhold votes.

- Limit Number of Nominations. The Commission should specify that a shareholder may nominate only one director and that shareholder nominations may not constitute 20% or more of the board. Any greater percentage could have too strong of an influence on control of the corporation and could be disruptive to the cohesiveness of the board.

- Ownership Requirements. The nominating shareholder should have a substantial economic interest in the corporation. The Commission should require that a shareholder have owned at least 5% (or 10% in the case of a group) of the corporation's voting stock for at least two years in order to be eligible for proxy access. Similarly, we also believe that the Commission should require that any nominating shareholder should be required to hold their minimum ownership position for at least one year after the election of the shareholder's nominated director. These requirements are consistent with our understanding of the Commission's intent that only significant long-term holders of the corporation should be able to benefit from this proposed rule.

- Nominee Criteria. Any shareholder nominee must be independent of the shareholder nominating him or her. In addition, a shareholder nominee must

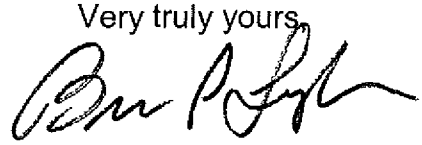
satisfy any minimum criteria established by a corporation for its directors, including independence standards, share ownership requirements, maximum age requirements, etc.

- Opportunity to Vet the Nominee. The proposed rule should provide adequate opportunity for the nominating committee to fully vet the proposed candidate, including requiring the candidate to complete the corporation's standard D&O questionnaire for that year.

- Nominating Shareholder. The shareholder nominating the candidate should be required to disclose all relationships and interests, and comply with any other undertakings, required by a corporation's bylaws for the submission of shareholder proposals.

Thank you for considering our concerns. If you have any questions or would like to discuss this matter further, please contact me at 760.804.4056.

Very truly yours,



Brian P. Lynch
Vice President
and Corporate Secretary