United States Oil Fund, LP
Form S-3
March 10, 2009

As filed with the Securities and Exchange Commission on March 10, 2009

File No. 333-

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

FORM S-3

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

United States Oil Fund, LP

(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	6770 (Primary Standard Industrial Classification Code Number)	20-2830691 (I.R.S. Employer Identification Number)

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(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant s Principal Executive Offices)

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Including Area Code, of Agent for Service)

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. o

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Unit[(1)]	Proposed Maximum Aggregate Offering Price[(1)]	Amount of Registration Fee
Units of United States Oil Fund, LP	1,000,000,000	$ 24.48	$ 24,480,000,000	$ 962,064

(1) Estimated solely for the purpose of calculation of the registration fee pursuant to Rule 457(d) under the Securities Act of 1933. The price per unit reflects the closing price on NYSE Arca on March 2, 2009.

This prospectus contains a combined prospectus under Rule 429 of the Securities Act of 1933, which relates to File No. 333-156373. Accordingly, upon effectiveness, this registration statement shall act as a post-effective amendment to File No. 333-156373.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this

registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION

United States Oil Fund, LP
1,225,300,000 Units

United States Oil Fund, LP, a Delaware limited partnership, is a commodity pool that issues units that may be purchased and sold on the NYSE Arca. United States Oil Fund, LP is referred to as USOF throughout this document. The investment objective of USOF is to have the changes in percentage terms of the units net asset value reflect the changes in percentage terms of the spot price of light, sweet crude oil delivered to Cushing, Oklahoma, as measured by the changes in the price of the futures contract on light, sweet crude oil as traded on the New York Mercantile Exchange that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case it will be measured by the futures contract that is the next month contract to expire, less USOF s expenses. This is a best efforts offering. USOF will continuously offer creation baskets consisting of 100,000 units to authorized purchasers through ALPS Distributors, Inc., which is the marketing agent. A list of USOF s current authorized purchasers is available from the marketing agent. Authorized purchasers will pay a transaction fee of $1,000 for each order placed to create one or more baskets. This is a continuous offering and will not terminate until all of the registered units have been sold. Our units are listed on the NYSE Arca under the symbol USO.

Authorized purchasers may purchase creation baskets of 100,000 units. The per unit price of units on a particular day will be the total net asset value of USOF calculated shortly after the close of the NYSE Arca on that day divided by the number of issued and outstanding units.

Authorized purchasers are the only persons that may place orders to create and redeem baskets. An authorized purchaser is under no obligation to create or redeem baskets, and an authorized purchaser is under no obligation to offer to the public units of any baskets it does create. Authorized purchasers that do offer to the public units from the baskets they create will do so at per-unit offering prices that are expected to reflect, among other factors, the trading price of the units on the NYSE Arca, the net asset value of USOF at the time the authorized purchaser purchased the creation basket and the net asset value of the units at the time of the offer of the units to the public, the supply of and demand for units at the time of sale, and the liquidity of the crude oil futures contract market and the market for other crude oil interests. The prices of units offered by authorized purchasers are expected to fall between USOF s net asset value and the trading price of the units on the NYSE Arca at the time of sale. The difference between the price paid by authorized purchasers as underwriters and the price paid to such authorized purchasers by investors will be deemed underwriting compensation. Units initially comprising the same basket but offered by authorized purchasers to the public at different times may have different offering prices. Units trade in the secondary market on the NYSE Arca. Units may trade in the secondary market at prices that are lower or higher relative to their net asset value per unit. The amount of the discount or premium in the trading price relative to the net asset value per unit may be influenced by various factors, including the number of investors who seek to purchase or sell units in the secondary market and the liquidity of the crude oil futures contract market and the market for other crude oil interests. Authorized purchasers are not required to sell any specific number or dollar amount of units.

USOF is not a mutual fund registered under the Investment Company Act of 1940 and is not subject to regulation under such Act.

Some of the risks of investing in USOF include:

Investing in crude oil interests subjects USOF to the risks of the crude oil industry which could result in large fluctuations in the price of USOF s units.

If certain correlations do not exist, then investors may not be able to use USOF as a cost-effective way to invest indirectly in crude oil or as a hedge against the risk of loss in oil-related transactions.

USOF does not expect to make cash distributions.

USOF and its general partner may have conflicts of interest, which may permit them to favor their own interests to your detriment.

Investing in USOF involves other significant risks. See What Are the Risk Factors Involved with an Investment in USOF? beginning on page 12.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (SEC) NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OFFERED IN THIS PROSPECTUS, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE COMMODITY FUTURES TRADING COMMISSION (CFTC) HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS POOL NOR HAS IT PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

This prospectus is in two parts: a disclosure document and a statement of additional information. These parts are bound together, and both contain important information.

	Per Unit	Per Basket
Price of the units*	$ 25.47	$ 2,547,000

* Based on closing net asset value on March 3, 2009. The price may vary based on net asset value in effect on a particular day.

The date of this prospectus is [ ], 2009.

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COMMODITY FUTURES TRADING COMMISSION

RISK DISCLOSURE STATEMENT

YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, YOU SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF YOUR INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY

AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED THIS POOL BEGINNING ON PAGE 58 AND A STATEMENT OF THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, ON PAGE 6.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, BEGINNING ON PAGE 12.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

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UNITED STATES OIL FUND, LP

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Statement of Additional Information SAI-1

Until [ ], 2009 (25 days after the date of this prospectus), all dealers effecting transactions in the offered units, whether or not participating in this distribution, may be required to deliver a prospectus. This requirement is in addition to the obligations of dealers to deliver a prospectus when acting as underwriters and with respect to unsold allotments or subscriptions.

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STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements which generally relate to future events or future performance. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expect, pla anticipate, believe, estimate, predict, potential or the negative of these terms or other comparable terminology statements (other than statements of historical fact) included in this prospectus and movements in the commodities markets and indexes that track such movements, USOF s operations, the General Partner s plans and references to USOF s future success and other similar matters, are forward-looking statements. These statements are only predictions. Actual events or results may differ materially. These statements are based upon certain assumptions and analyses the General Partner has made based on its perception of historical trends, current conditions and expected future developments, as well as other factors appropriate in the circumstances. Whether or not actual results and developments will conform to the General Partner s expectations and predictions, however, is subject to a number of risks and uncertainties, including the special considerations discussed in this prospectus, general economic, market and business conditions, changes in laws or regulations, including those concerning taxes, made by governmental authorities or regulatory bodies, and other world economic and political developments. See What Are the Risk Factors Involved with an Investment in USOF? Consequently, all the forward-looking statements made in this prospectus are qualified by these cautionary statements, and there can be no assurance that the events or developments that will or may occur in the future, including such matters as changes in inflation in the United States movements in the stock market, movements in the U.S. and foreign currencies, actual results or developments the General Partner anticipates will be realized or, even if substantially realized, that they will result in the expected consequences to, or have the expected effects on, USOF s operations or the value of the units.

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PROSPECTUS SUMMARY

This is only a summary of the prospectus and, while it contains material information about USOF and its units, it does not contain or summarize all of the information about USOF and the units contained in this prospectus that is material and/or which may be important to you. You should read this entire prospectus, including What Are the Risk Factors Involved with an Investment in USOF? beginning on page 12, before making an investment decision about the units.

Overview of USOF

United States Oil Fund, LP, a Delaware limited partnership (USOF or Us or We), is a commodity pool that issues units that may be purchased and sold on the NYSE Arca. Prior to November 25, 2008, USOF s units traded on the American Stock Exchange. USOF was organized as a limited partnership under Delaware law on May 12, 2005. USOF is operated pursuant to the Fifth Amended and Restated Agreement of Limited Partnership (LP Agreement). It is managed and controlled by its general partner, United States Commodity Funds, LLC (formerly known as Victoria Bay Asset Management, LLC) (General Partner). The General Partner is a single member limited liability company formed in Delaware on May 10, 2005 that is registered as a commodity pool operator (CPO) with the Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA).

The net assets of USOF consist primarily of investments in futures contracts for light, sweet crude oil, other types of crude oil, heating oil, gasoline, natural gas, and other petroleum-based fuels that are traded on the New York Mercantile Exchange (the NYMEX), ICE Futures (formerly, the International Petroleum Exchange) or other U.S. and foreign exchanges (collectively, Oil Futures Contracts) and other oil interests such as cash-settled options on Oil Futures Contracts, forward contracts for oil, and over-the-counter transactions that are based on the price of oil, other petroleum-based fuels, Oil Futures Contracts and indices based on the foregoing (collectively, Other Oil Interests). For convenience and unless otherwise specified, Oil Futures Contracts and Other Oil Interests collectively are referred to as oil interests in this prospectus. The General Partner is authorized by USOF in its sole judgment to employ, establish the terms of employment for, and terminate commodity trading advisors or futures commission merchants.

The investment objective of USOF is to have the changes in percentage terms of its units net asset value (NAV) reflect the changes in percentage terms of the spot price of light, sweet crude oil delivered to Cushing, Oklahoma, as measured by the changes in the price of the futures contract on light, sweet crude oil as traded on the NYMEX that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case it will be measured by the futures contract that is the next month contract to expire, less USOF s expenses. It is not the intent of USOF to be operated in a fashion such that its NAV will equal, in dollar terms, the spot price of light, sweet crude oil or any particular futures contract based on light, sweet crude oil.

USOF seeks to achieve its investment objective by investing in a mix of Oil Futures Contracts and Other Oil Interests such that changes in USOF s NAV will closely track the changes in the price of a specified Oil Futures Contract (Benchmark Oil Futures Contract). The General Partner believes the Benchmark Oil Futures Contract historically exhibited a close correlation with the spot price of light, sweet crude oil. On any valuation day (a valuation day is any trading day as of which USOF calculates its NAV), the Benchmark Oil Futures Contract is the near month futures contract for light, sweet crude oil traded on the NYMEX unless the near month futures contract will expire within two weeks of the valuation day, in which case the Benchmark Oil Futures Contract is the next month futures contract for light, sweet crude oil traded on the NYMEX. This convention is used to define the Benchmark Oil Futures Contract because the General Partner believes from its review of past market activity that most Oil Futures Contracts traded on the NYMEX are closed out or offset by the parties prior to the settlement date of the contract and there is lighter trading during the days immediately preceding settlement. Because there is lighter trading during the two-week period prior to settlement, the trading price of the near month contract may not provide as accurate a reflection of the spot price of oil. The General Partner generally invests in the next month contract to expire during this period.

As a specific benchmark, the General Partner endeavors to place USOF s trades in Oil Futures Contracts and Other Oil Interests and otherwise manage USOF s investments so that A will be within plus/minus 10 percent of B, where:

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A is the average daily change in USOF s NAV for any period of 30 successive valuation days, *i.e.*, any trading day as of which USOF calculates its NAV, and

B is the average daily change in the price of the Benchmark Oil Futures Contract over the same period.

The General Partner believes that market arbitrage opportunities will cause USOF s unit price on the NYSE Arca to closely track USOF s NAV per unit. The General Partner further believes that the prices of the Benchmark Oil Futures Contract have historically closely tracked the spot prices of light, sweet crude oil. The General Partner believes that the net effect of these two expected relationships and the expected relationship described above between USOF s NAV and the Benchmark Oil Futures Contract, will be that the changes in the price of USOF s units on the NYSE Arca will closely track, in percentage terms, the changes in the price of the spot price of a barrel of light, sweet crude oil, less USOF s expenses.

USOF invests in oil interests to the fullest extent possible without being leveraged or unable to satisfy its current or potential margin or collateral obligations with respect to its investments in Oil Futures Contracts and Other Oil Interests. The primary focus of the General Partner is the investment in Oil Futures Contracts and the management of USOF s investments in short-term obligations of the United States of two years or less (Treasuries), cash and/or cash equivalents for margining purposes and as collateral.

The General Partner employs a neutral investment strategy intended to track the changes in the price of the Benchmark Oil Futures Contract regardless of whether the price goes up or goes down. USOF s neutral investment strategy is designed to permit investors generally to purchase and sell USOF s units for the purpose of investing indirectly in crude oil in a cost-effective manner, and/or to permit participants in the oil or other industries to hedge the risk of losses in their crude oil-related transactions. Accordingly, depending on the investment objective of an individual investor, the risks generally associated with investing in crude oil and/or the risks involved in hedging may exist. In addition, an investment in USOF involves the risk that the changes in the price of USOF s units will not accurately track the changes in the price of the Benchmark Oil Futures Contract. For example, USOF also invests in Treasuries, cash and/or cash equivalents to be used to meet its current or potential margin or collateral requirements with respect to its investments in Oil Futures Contracts and Other Oil Interests. USOF does not expect there to be any meaningful correlation between the performance of USOF s investments in Treasuries/cash/cash equivalents and the changes in the price of light, sweet crude oil. While the level of interest earned on or the market price of these investments may in some respect correlate to changes in the price of crude oil, this correlation is not anticipated as part of USOF s efforts to meet its objectives. This and certain risk factors discussed in this prospectus may cause a lack of correlation between changes in USOF s NAV and changes in the price of light, sweet crude oil.

Since inception, the Benchmark Oil Futures Contract has changed from the near month contract to expire to the next month contract to expire, starting on the date two weeks prior to the expiration of the near month contract. The change in the Benchmark Oil Futures Contract occurred in its entirety from one day until the next day.

Effective for contract months commencing after March 2009, the Benchmark Oil Futures Contract will be changed from the near month contract to the next month contract over a four-day period. Each month, the Benchmark Oil Futures Contract will change starting at the end of the day on the date two weeks prior to expiration of the near month contract for that month. During the first three days of the period, the applicable value of the Benchmark Oil Futures Contract will be based on a combination of the near month contract and the next month contract as follows: (1) day 1 will consist of 75% of the then near month contract s total return for the day, plus 25% of the total return for the day of the next month contract, (2) day 2 will consist of 50% of the then near month contract s total return for the day, plus 50% of the total return for the day of the next month contract, and (3) day 3 will consist of 25% of the then near month contract s total return for the day, plus 75% of the total return for the day of the next month contract. On day 4, the Benchmark Oil Futures Contract will be the next month contract to expire at that time and that contract will remain the Benchmark Oil Futures Contract until the beginning of following month s change in the Benchmark Oil Futures Contract over a four-day period.

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On each day during the four-day period, the General Partner anticipates it will roll USOF s positions in oil investments by closing, or selling, a percentage of USOF s positions in oil interests and reinvesting the proceeds from closing those positions in new oil interests that reflect the change in the Benchmark Oil Futures Contract.

The anticipated dates that the monthly four-day roll period will commence for 2009 will be posted on USOF s website at *www.unitedstatesoilfund.com*, and are subject to change without notice.

USOF creates and redeems units only in blocks called Creation Baskets and Redemption Baskets, respectively. Only Authorized Purchasers may purchase or redeem Creation Baskets or Redemption Baskets. An Authorized Purchaser is under no obligation to create or redeem baskets, and an Authorized Purchaser is under no obligation to offer to the public units of any baskets it does create. Baskets are generally created when there is sufficient demand for units that the market price per unit is at a premium to the NAV per unit. Authorized Purchasers will then sell such units, which will be listed on the NYSE Arca, to the public at per-unit offering prices that are expected to reflect, among other factors, the trading price of the units on the NYSE Arca, the NAV of USOF at the time the Authorized Purchaser purchased the Creation Baskets and the NAV at the time of the offer of the units to the public, the supply of and demand for units at the time of sale, and the liquidity of the Oil Futures Contracts market and the market for Other Oil Interests. The prices of units offered by Authorized Purchasers are expected to fall between USOF s NAV and the trading price of the units on the NYSE Arca at the time of sale. Similarly, baskets are generally redeemed when the market price per unit is at a discount to the NAV per unit. Retail investors seeking to purchase or sell units on any day are expected to effect such transactions in the secondary market, on the NYSE Arca, at the market price per unit, rather than in connection with the creation or redemption of baskets.

All proceeds from the sale of Creation Baskets are invested as quickly as possible in the investments described in this prospectus. Investments are held through USOF s custodian, Brown Brothers Harriman & Co. (Custodian), or through accounts with USOF s commodity futures brokers. There is no stated maximum time period for USOF s operations and the fund will continue until all units are redeemed or the fund is liquidated pursuant to the terms of the LP Agreement.

There is no specified limit on the maximum amount of Creation Baskets that can be sold. At some point, accountability levels and position limits on certain of the futures contracts in which USOF intends to invest may practically limit the maximum amount of Creation Baskets that will be sold if the General Partner determines that the other investment alternatives available to USOF at that time will not enable it to meet its stated investment objective. In this regard, the General Partner also manages the United States 12 Month Oil Fund, LP (US12OF) that currently invests in 12 futures contracts for light, sweet crude oil as traded on the NYMEX, consisting of the near month contract to expire and the contracts for the following eleven months, for a total of 12 consecutive months contracts. Any futures contracts held by US12OF will be aggregated with the ones held by USOF in determining NYMEX accountability levels and position limits.

Units may also be purchased and sold by individuals and entities that are not Authorized Purchasers in smaller increments than Creation Baskets on the NYSE Arca. However, these transactions are effected at bid and ask prices established by specialist firm(s). Like any listed security, units of USOF can be purchased and sold at any time a secondary market is open.

In managing USOF s assets, the General Partner does not use a technical trading system that issues buy and sell orders. The General Partner instead employs quantitative methodologies whereby each time one or more baskets are purchased or redeemed, the General Partner will purchase or sell Oil Futures Contracts and Other Oil Interests with an aggregate market value that approximates the amount of Treasuries and/or cash received or paid upon the purchase or redemption of the basket(s).

Note to Secondary Market Investors: The units can be directly purchased from or redeemed by USOF only in Creation Baskets or Redemption Baskets, respectively, and only by Authorized Purchasers. Each Creation Basket and Redemption Basket consists of 100,000 units and is expected to be worth millions of dollars. Individual investors, therefore, will not be able to directly purchase units from or redeem units with USOF. Some of the information contained in this prospectus, including information about buying and redeeming units directly from and to USOF is only relevant to Authorized Purchasers. Units are listed and traded on

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the NYSE Arca and may be purchased and sold as individual units. Individuals interested in purchasing units in the secondary market should contact their broker. Units purchased or sold through a broker may be subject to commissions.

Except when aggregated in Redemption Baskets, units are not redeemable securities. There is no guarantee that units will trade at or near the per-unit NAV.

The Units

The units are registered as securities under the Securities Act of 1933 (1933 Act) and do not provide dividend rights or conversion rights and there will not be sinking funds. The units may only be redeemed when aggregated in Redemption Baskets as discussed under Creation and Redemption of Units and limited partners have limited voting rights as discussed under Who is the General Partner? Cumulative voting is neither permitted nor required and there are no preemptive rights. As discussed in the LP Agreement, upon liquidation of USOF, its assets will be distributed pro rata to limited partners based upon the number of units held. Each limited partner will receive its share of the assets in cash or in kind, and the proportion of such share that is received in cash may vary from partner to partner, as the General Partner in its sole discretion may decide.

This is a continuous offering under Rule 415 of the 1933 Act and will terminate when all of the registered units have been sold. It is anticipated that when all registered units have been sold pursuant to this registration statement, additional units will be registered in subsequent registration statements. As discussed above, the minimum purchase requirement for Authorized Purchasers is a Creation Basket, which consists of 100,000 units. Under the plan of distribution, USOF does not require a minimum purchase amount for investors who purchase units from Authorized Purchasers. There are no arrangements to place funds in an escrow, trust, or similar account.

USOF s Investments in Oil Interests

A brief description of the principal types of oil interests in which USOF may invest is set forth below.

A futures contract is a standardized contract traded on a futures exchange that calls for the future delivery of a specified quantity of a commodity at a specified time and place.

A forward contract is a supply contract between principals, not traded on an exchange, to buy or sell a specified quantity of a commodity at or before a specified date at a specified price.

Certain leases also may provide for payments based on future sales volumes at the leased location, which are not measurable at the inception of the lease. In accordance with SFAS No. 29, *Determining Contingent Rentals, an amendment of FASB Statement No. 13*, these contingent rents are expensed as they accrue.

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RESULTS OF OPERATIONS

The results of the interim periods are not necessarily indicative of results for the entire fiscal year.

13 Weeks Ended July 1, 2007 Compared to 13 Weeks Ended July 2, 2006

The following table and related discussion set forth selected items from our operating results as a percentage of our net sales for the periods indicated:

	13 Weeks Ended			
	July 1, 2007		July 2, 2006	
	(In thousands, except percentages)			
Net sales	$ 217,846	100.0%	$ 211,806	100.0%
Costs of sales [(1)]	140,784	64.6	135,094	63.8
Gross profit	77,062	35.4	76,712	36.2
Operating expenses:				
Selling and administrative	61,601	28.3	58,571	27.7
Depreciation and amortization	4,166	1.9	4,004	1.9
Total operating expenses	65,767	30.2	62,575	29.6
Operating income	11,295	5.2	14,137	6.6
Interest expense	1,473	0.7	1,869	0.9
Income before income taxes	9,822	4.5	12,268	5.7
Income taxes	3,879	1.8	4,837	2.3
Net income	$ 5,943	2.7%	$ 7,431	3.4%

(1) Costs of sales include cost of goods sold, buying and occupancy charges, excluding depreciation and amortization shown separately in this table.

Net Sales. Net sales increased by $6.0 million, or 2.9%, to $217.8 million in the 13 weeks ended July 1, 2007 from $211.8 million in the same period last year. The growth in net sales was mainly attributable to an increase of $8.2 million in new store sales, which reflected the opening of 22 new stores, net of relocations, since April 2, 2006. The increase in new store sales was partially offset by a decrease in closed store sales of $1.5 million and a decline in same store sales of $0.4 million, or 0.2%, in the 13 weeks ended July 1, 2007 versus the 13 weeks ended July 2, 2006. Store count at July 1, 2007 was 348 versus 329 at July 2, 2006. We opened 4 new stores, one of which was a relocation of a store closed in the previous quarter, in the 13 weeks ended July 1, 2007, and opened 3 new stores in the

13 weeks ended July 2, 2006. We expect to open approximately 20 new stores during fiscal 2007, net of closures and relocations.

Gross Profit. Gross profit increased by $0.4 million, or 0.5%, to $77.1 million in the 13 weeks ended July 1, 2007 from $76.7 million in the 13 weeks ended July 2, 2006. Our gross profit margin was 35.4% in the 13 weeks ended July 1, 2007 compared to 36.2% in the same period last year. Product selling margins, which exclude buying, occupancy and distribution costs, were approximately even compared to the same period in the prior year.

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Store occupancy costs increased by $1.0 million, or 27 basis points, over the comparable prior year quarter due mainly to new store openings. Distribution center costs capitalized into inventory decreased by $0.9 million, or 44 basis points, compared to the same period last year due primarily to increasing costs in the prior year associated with the transition to our new larger distribution center. Distribution center costs during the second quarter decreased $0.4 million, or 33 basis points, from the prior year as a result of operational efficiencies realized in our new distribution center. Inventory reserve provisions increased by $0.6 million, or 27 basis points, from the prior year due primarily to higher provisions for the realizability of the value of returned goods inventories and inventory shrink.

Selling and Administrative. Selling and administrative expenses increased by $3.0 million to $61.6 million, or 28.3% of net sales, in the 13 weeks ended July 1, 2007 from $58.6 million, or 27.7% of net sales, in the same period last year. The increase in selling and administrative expense as a percentage of sales for the fiscal 2007 second quarter compared to the prior year in part reflects softness in the Company s sales. Store-related expenses, excluding occupancy, increased by $1.6 million, or 28 basis points, due primarily to an increase in store count. Advertising expense increased by $0.5 million from the prior year, mainly to support overall sales and additional circulars to support new stores, and reflected an increased benefit from higher co-op advertising cost reimbursements from vendors of $0.6 million over the prior year. Administrative expenses increased by $0.9 million reflecting increased labor-related costs and other expenses to support our continuing growth and financial reporting initiatives. Store-related expenses for the second quarter of last year were favorably impacted by our receipt of $0.7 million of proceeds as a participant in the settlement of a class-action lawsuit relating to credit card fees, which was offset by an increased provision of $0.6 million for public liability claims.

Depreciation and Amortization. Depreciation and amortization expense increased $0.2 million, or 4.0%, to $4.2 million for the 13 weeks ended July 1, 2007 from $4.0 million for the same period last year. The higher expense was primarily due to the increase in store count to 348 stores at the end of the second quarter of fiscal 2007 from 329 stores at the end of the second quarter of fiscal 2006.

Interest Expense. Interest expense decreased by $0.4 million, or 21.2%, to $1.5 million in the 13 weeks ended July 1, 2007 from $1.9 million in the same period last year. The decrease in interest expense primarily reflects significantly lower average debt levels, partially offset by slightly higher interest rates in 2007. Our outstanding debt decreased by 19.0% to $88.8 million as of July 1, 2007 from $109.6 million as of July 2, 2006.

Income Taxes. The provision for income taxes was $3.9 million for the 13 weeks ended July 1, 2007 and $4.8 million for the 13 weeks ended July 2, 2006. Our effective tax rate was 39.5% for the second quarter of fiscal 2007 and 39.4% for the second quarter of fiscal 2006.

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26 Weeks Ended July 1, 2007 Compared to 26 Weeks Ended July 2, 2006

The following table and related discussion set forth selected items from our operating results as a percentage of our net sales for the periods indicated:

	26 Weeks Ended			
	July 1, 2007		July 2, 2006	
	(In thousands, except percentages)			
Net sales	$ 434,853	100.0%	$ 418,987	100.0%
Costs of sales (1)	279,747	64.3	268,848	64.2
Gross profit	155,106	35.7	150,139	35.8
Operating expenses:				
Selling and administrative	121,473	27.9	115,963	27.7
Depreciation and amortization	8,372	2.0	8,404	2.0
Total operating expenses	129,845	29.9	124,367	29.7
Operating income	25,261	5.8	25,772	6.1
Interest expense	2,922	0.7	3,698	0.9
Income before income taxes	22,339	5.1	22,074	5.2
Income taxes	8,809	2.0	8,700	2.1
Net income	$ 13,530	3.1%	$ 13,374	3.1%

(1) Costs of sales include cost of goods sold, buying and occupancy charges, excluding depreciation and amortization shown separately in this table.

Net Sales. Net sales increased by $15.9 million, or 3.8%, to $434.9 million in the 26 weeks ended July 1, 2007 from $419.0 million in the same period last year. The growth in net sales was mainly attributable to an increase of $1.3 million in same store sales and an increase of $16.8 million in new store sales, partially offset by a decrease of $2.5 million in closed store sales, which reflected the opening of 24 new stores, net of relocations, since January 2, 2006. Same store sales increased 0.3% in the 26 weeks ended July 1, 2007 versus the 26 weeks ended July 2, 2006. Store count at July 1, 2007 was 348 versus 329 at July 2, 2006. We opened 5 new stores, net of closures and relocations, in the 26 weeks ended July 1, 2007, and opened 5 new stores in the 26 weeks ended July 2, 2006. We expect to open approximately 20 new stores during fiscal 2007, net of closures and relocations.

Gross Profit. Gross profit increased by $5.0 million, or 3.3%, to $155.1 million in the 26 weeks ended July 1, 2007 from $150.1 million in the 26 weeks ended July 2, 2006. Our gross profit margin was 35.7% in the 26 weeks ended July 1, 2007 compared to 35.8% in the same period last year. Product selling margins, which exclude buying, occupancy and distribution costs, increased by approximately 35 basis points versus the same period in the prior year, primarily due to sales of winter merchandise earlier in the year at higher margins along with improved margins for various product categories. Distribution center costs during the period decreased $2.6 million, or 80 basis points, due primarily to additional costs in the first quarter of the prior year associated with completing the transition to our new distribution center. Distribution center costs capitalized into inventory decreased by $3.3 million, or 78 basis points, compared to the same period last year due primarily to increasing costs in the prior year associated with the transition to our new larger distribution center. Store occupancy costs increased by $2.0 million, or 22 basis points, year-over-year due mainly to new store openings. Inventory reserve provisions increased by $1.2 million, or 26 basis points, from the prior year due primarily to higher provisions for the realizability of the value of returned goods inventories and inventory shrink.

Selling and Administrative. Selling and administrative expenses increased by $5.5 million to $121.5 million, or 27.9% of net sales, in the 26 weeks ended July 1, 2007 from $116.0 million, or 27.7% of net sales, in the same period last year. Store-related expenses, excluding occupancy, increased by $3.2 million, or 13 basis points, due primarily to an increase in store count. Advertising expense increased by $1.6 million from the prior year mainly to support overall sales and additional circulars to support new stores, and reflected an increased benefit from higher co-op advertising cost reimbursements from vendors of $0.9 million over the prior year. Administrative expenses increased $0.7 million reflecting increased labor-related costs and other expenses to support our continuing growth and financial reporting initiatives, partially offset by a reduction in audit and legal fees of $1.3 million versus the prior year. Store-related expenses for the first half of last year were favorably impacted by the receipt of $0.7 million of proceeds as a participant in the settlement of a class-action lawsuit relating to credit card fees, which was offset by an increased provision of $0.6 million for public liability claims.

Depreciation and Amortization. Depreciation and amortization expense was $8.4 million for the 26 weeks ended July 1, 2007 and July 2, 2006. The increase in depreciation expense associated with the increase in store count to 348 stores at the end of the current period compared with 329 stores at the end of the prior period was offset by lower distribution center depreciation expense in 2007. We operated two distribution centers during the first quarter of 2006 resulting in increased depreciation expense for the 26 weeks ended July 2, 2006.

Interest Expense. Interest expense decreased by $0.8 million, or 21.0%, to $2.9 million in the 26 weeks ended July 1, 2007 from $3.7 million in the same period last year. The decrease in interest expense primarily reflects lower average debt levels, partially offset by slightly higher interest rates in 2007. Our outstanding debt decreased by 19.0% to $88.8 million as of July 1, 2007 from $109.6 million as of July 2, 2006.

Income Taxes. The provision for income taxes was $8.8 million for the 26 weeks ended July 1, 2007 and $8.7 million for the 26 weeks ended July 2, 2006. Our effective tax rate was 39.4% for both periods.

LIQUIDITY AND CAPITAL RESOURCES

Our principal liquidity requirements are for working capital, capital expenditures, debt repayments and cash dividends. We fund our liquidity requirements with cash on hand, cash flows from operations and borrowings from our revolving credit facility.

Operating Activities. Net cash provided by operating activities was $4.9 million and $2.0 million for the first 26 weeks of fiscal 2007 and fiscal 2006, respectively. A substantial portion of our net sales are in cash, and therefore provide a significant source of liquidity. Cash is used in operating activities primarily to fund growth in inventory and other assets, net of accounts payable.

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Comparing the first 26 weeks of fiscal 2007 to the corresponding period in the prior year, the reduced funding for working capital primarily reflects an increase in accounts payable related to inventory purchases.

Investing Activities. Net cash used in investing activities for the first 26 weeks of fiscal 2007 and fiscal 2006 was $6.0 million and $8.0 million, respectively. Capital expenditures, excluding non-cash acquisitions, for the first 26 weeks of fiscal 2007 were $6.0 million compared to $8.2 million for the same period last year. We use cash flows from operations to fund our investing activities primarily for expenditures associated with opening new stores, improvements to existing stores and our distribution center, expenditures associated with equipment and computer software in support of our system initiatives and for our corporate headquarters. The decrease in cash used for capital expenditures in the current year compared with the prior year was due primarily to additional capital expenditures in the first quarter of the prior year associated with completing the transition to our new distribution center.

Financing Activities. Net cash provided by financing activities for the first 26 weeks of fiscal 2007 and fiscal 2006 was $4.0 million and $8.2 million, respectively. For both periods cash was provided primarily by borrowings under our revolving credit facility, partially offset by the paydown of debt and funding of dividend payments. Revolving credit borrowings were lower due to increased cash flows from operations and lower property and equipment purchases.

As of July 1, 2007, we had revolving credit borrowings of $88.8 million and letter of credit commitments of $0.5 million outstanding under our financing agreement. These balances compare to revolving credit borrowings of $101.3 million, a term loan balance of $8.3 million and letter of credit commitments of $0.6 million outstanding under our financing agreement as of July 2, 2006.

Future Capital Requirements. We had cash and cash equivalents on hand of $8.1 million at July 1, 2007. We expect capital expenditures for the second half of fiscal 2007, excluding non-cash acquisitions, to range from $11.0 million to $12.0 million, primarily to fund the opening of approximately 15 new stores, store-related remodeling, distribution center and corporate office improvements and computer hardware and software purchases. We expect to pay dividends of approximately $2.0 million on September 14, 2007 in connection with the recent dividend declaration.

During the second quarter of fiscal 2006, our Board of Directors authorized a share repurchase program for the purchase of up to $15.0 million of shares of our common stock. Subsequent to the second quarter ended July 1, 2007 and through July 31, 2007, we repurchased 200,000 shares of our common stock for $4.6 million. Our total common stock repurchased under this share repurchase program during 2007 through July 31, 2007 was 215,800 shares for $5.0 million. As of July 31, 2007, $8.7 million remained available for share repurchases under this program. The timing, price and quantity of any share repurchases are made at the discretion of management, depending upon market conditions and other considerations.

We believe we will be able to fund our future cash requirements for operations from cash on hand, operating cash flows and borrowings from the revolving credit facility. We believe these sources of funds will be sufficient to continue our operations and planned capital expenditures, satisfy payments under debt and capital lease obligations, repurchase common stock and pay quarterly dividends for at least the next twelve months. However, our ability to satisfy such obligations depends upon our future performance, which in turn is subject to general economic conditions and regional risks, and to financial, business and other factors affecting our operations, including factors beyond our control. See Part II, Item 1A, Risk Factors included in this report and Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

If we are unable to generate sufficient cash flow from operations to meet our obligations and commitments, we will be required to refinance or restructure our indebtedness or raise additional debt or equity capital. Additionally, we may be required to sell material assets or operations, suspend dividend payments, delay or forego expansion opportunities or suspend the repurchase of common stock. We might not be able to effect these alternative strategies on satisfactory terms, if at all.

Contractual Obligations and Other Commitments. Our material off-balance sheet contractual commitments are operating lease obligations and letters of credit. We excluded these items from the balance sheet in accordance with GAAP.

Operating lease commitments consist principally of leases for our retail store facilities, distribution center and corporate office. These leases frequently include options which permit us to extend the terms beyond the initial fixed lease term. With respect to most of those leases, we intend to renegotiate those leases as they expire.

Issued and outstanding letters of credit were $0.5 million at July 1, 2007, and were related primarily to importing of merchandise and funding insurance program liabilities.

In the ordinary course of business, we enter into arrangements with vendors to purchase merchandise in advance of expected delivery. Because most of these purchase orders do not contain any termination payments or other penalties if cancelled, they are not included as outstanding contractual obligations.

Financing Agreement. On December 15, 2004, we entered into a $160.0 million financing agreement with The CIT Group/Business Credit, Inc. and a syndicate of other lenders. On May 24, 2006, we amended the financing agreement to, among other things, increase the line of credit to $175.0 million, consisting of a non-amortizing $161.7 million revolving credit facility and an amortizing term loan balance of $13.3 million. The amortizing term loan balance was prepaid in full during 2006.

The initial termination date of the revolving credit facility is March 20, 2011 (subject to annual extensions thereafter). The revolving credit facility may be terminated by the lenders by giving at least 90 days prior written notice before any anniversary date, commencing with its anniversary date on March 20, 2011. We may terminate the revolving credit facility by giving at least 30 days prior written notice, provided that if we terminate prior to March 20, 2011, we must pay an early termination fee. Unless it is terminated, the revolving credit facility will continue on an annual basis from anniversary date to anniversary date beginning on March 21, 2011.

The revolving credit facility bears interest at various rates based on our overall borrowings, with a floor of LIBOR plus 1.00% or the JP Morgan Chase Bank prime lending rate and a ceiling of LIBOR plus 1.50% or the JP Morgan Chase Bank prime lending rate.

Our financing agreement is secured by a first priority security interest in substantially all of our assets. Our financing agreement contains various financial and other covenants, including covenants that require us to maintain a fixed-charge coverage ratio, restrict our ability to incur indebtedness or to create various liens and restrict the amount of capital expenditures that we may incur. Our financing agreement also restricts our ability to engage in mergers or acquisitions, sell assets or pay dividends. We may declare a dividend only if no default or event of default exists on the dividend declaration date and a default is not

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expected to result from the payment of the dividend and certain other criteria are met, which may include the maintenance of certain financial ratios. We are currently in compliance with all covenants under our financing agreement. If we fail to make any required payment under our financing agreement or if we otherwise default under this instrument, our debt may be accelerated under this agreement. This acceleration could also result in the acceleration of other indebtedness that we may have outstanding at that time.

SEASONALITY

We experience seasonal fluctuations in our net sales and operating results. In fiscal 2006, we generated 26.8% of our net sales and 30.8% of our operating income in the fourth fiscal quarter, which includes the holiday selling season as well as the peak winter sports selling season. As a result, we incur significant additional expenses in the fourth fiscal quarter due to higher purchase volumes and increased staffing. If we miscalculate the demand for our products generally or for our product mix during the fourth fiscal quarter, our net sales could decline, resulting in excess inventory, which could harm our financial performance. Because a substantial portion of our operating income is derived from our fourth fiscal quarter net sales, a shortfall in fourth fiscal quarter net sales could cause our annual operating results to suffer significantly.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157, *Fair Value Measurements*. This standard provides guidance for using fair value to measure assets and liabilities. The standard also responds to investors requests for expanded information about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. The standard applies whenever other standards require (or permit) assets or liabilities to be measured at fair value, but does not expand the use of fair value in any new circumstances. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. There are numerous previously issued statements dealing with fair values that are amended by SFAS No. 157. The Company is in the process of evaluating the impact, if any, that the adoption of SFAS No. 157 will have on the Company s consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115.* SFAS No. 159 provides companies with an option to report many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The objective of SFAS No. 159 is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. The FASB believes that SFAS No. 159 helps to mitigate accounting-induced volatility by enabling companies to report related assets and liabilities at fair value, which would likely reduce the need for companies to comply with detailed rules for hedge accounting. SFAS No. 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities, and would require entities to display the fair value of those assets and liabilities for which the company has chosen to use fair value

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on the face of the balance sheet. The new statement does not eliminate disclosure requirements included in other accounting standards, including requirements for disclosures about fair value measurements included in SFAS No. 157, *Fair Value Measurements*. This statement is effective as of the beginning of an entity s first fiscal year beginning after November 15, 2007. The Company is in the process of evaluating the impact, if any, that the adoption of SFAS No. 159 will have on the Company s consolidated financial statements.

FORWARD-LOOKING STATEMENTS

This document includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate to, among other things, our financial condition, our results of operations, our growth strategy and the business of our Company generally. In some cases, you can identify such statements by terminology such as may , will , could , project , estimate , potential , continue , should plans , anticipates , believes , intends or other such terminology. These forward-looking statements involve known unknown risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. These risks and uncertainties include, among other things, the competitive environment in the sporting goods industry in general and in our specific market areas, inflation, product availability and growth opportunities, seasonal fluctuations, weather conditions, changes in costs of goods, operating expense fluctuations, disruption in product flow or increased costs related to distribution center operations, changes in interest rates and economic conditions in general. Those and other risks and uncertainties are more fully described in Part II, Item 1A, Risk Factors in this report and in Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K and other risks and uncertainties more fully described in our other filings with the SEC. We caution that the risk factors set forth in this report are not exclusive. In addition, we conduct our business in a highly competitive and rapidly changing environment. Accordingly, new risk factors may arise. It is not possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on our business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. We disclaim any obligation to revise or update any forward-looking statement that may be made from time to time by us or on our behalf.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to risks resulting from interest rate fluctuations since interest on our borrowings under our revolving credit facility are based on variable rates. If the LIBOR rate were to increase 1.0% as compared to the rate at July 1, 2007, our interest expense would increase approximately $0.9 million on an annual basis based on the outstanding balance of our borrowings under our revolving credit facility at July 1, 2007. We do not hold any derivative instruments and do not engage in foreign currency transactions or hedging activities.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on such evaluation, our CEO and CFO have concluded that, as of the end of such period, our disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports that we file or submit under the Exchange Act and are effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

During the fiscal quarter ended July 1, 2007, no changes occurred with respect to our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On December 1, 2006, the Company was served with a complaint filed in the California Superior Court in the County of Orange, entitled Jack Lima v. Big 5 Sporting Goods Corporation, et al., Case No. 06CC00243, alleging violations of the California Labor Code and the California Business and Professions Code. This complaint was brought as a purported class action on behalf of the Company s California store managers. The plaintiff alleges, among other things, that the Company improperly classified store managers as exempt employees not entitled to overtime pay for work in excess of forty hours per week and failed to provide store managers with paid meal and rest periods. The plaintiff seeks, on behalf of the class members, back pay for overtime allegedly not paid, pre-judgment interest, statutory penalties including an additional thirty days wages for each employee whose employment terminated in the four years preceding the filing of the complaint, an award of attorneys fees and costs and injunctive relief to require the Company to treat store managers as non-exempt. The Company believes that the complaint is without merit and intends to defend the suit vigorously. The Company is not able to evaluate the likelihood of an unfavorable outcome or to estimate a range of potential loss in the event of an unfavorable outcome at the present time. If resolved unfavorably to the Company, this litigation could have a material adverse effect on the Company s financial condition, and any required change in the Company s labor practices, as well as the costs of defending this litigation, could have a negative impact on the Company s results of operations.

In addition, the Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company s financial position, results of operations or liquidity.

Item 1A. Risk Factors

There have been no material changes to the risk factors identified in Part I, Item 1A, Risk Factors , of the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following tabular summary reflects the Company s share repurchase activity during the fiscal quarter ended July 1, 2007:

ISSUER PURCHASES OF EQUITY SECURITIES[1]

Period	*Total Number of Shares Purchased*	*Average Price Paid per Share*	*Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs*	*Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs*
April 2 April 29				$ 13,704,000
April 30 May 27	15,100	$ 23.94	15,100	$ 13,343,000
May 28 July 1				$ 13,343,000
Total	15,100	$ 23.94	15,100	$ 13,343,000[2]

1 On May 11, 2006, the Company announced that its Board of Directors authorized a share repurchase program for the purchase of up to $15.0 million of the Company s common stock. Under the authorization, the Company may purchase shares from time to time in the open market or in privately negotiated transactions in compliance with the applicable

rules and regulations of the Securities and Exchange Commission. However, the timing and amount of such purchases, if any, would be at the discretion of management, and would depend upon market conditions and other considerations.

2 Subsequent to the second quarter ended July 1, 2007 and through July 31, 2007, the Company repurchased 200,000 shares of its common stock under the share repurchase program for $4.6 million, representing an average price per share of $23.03.

Item 3. Defaults Upon Senior Securities

None.

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Item 4. Submission of Matters to a Vote of Security Holders

On June 19, 2007, the Company held its annual meeting of stockholders.

1. The Company s stockholders approved the proposal to re-elect the following two Class B directors to the Company s Board of Directors, each to hold office until the 2010 annual meeting of stockholders (and until each such director s successor shall have been duly elected and qualified):

	Votes For	Votes Withheld
Sandra N. Bane	16,105,577	5,257,062
Michael D. Miller	17,473,783	3,888,856

The term of office for the following directors continued after the meeting: G. Michael Brown (Class A director), David R. Jessick (Class A director), Jennifer Holden Dunbar (Class C director) and Steven G. Miller (Class C director).

There were no abstentions or broker non-votes.

2. The Company s stockholders approved the adoption of the 2007 Equity and Performance Incentive Plan.

Votes For	Votes Against	Votes Abstained	Broker Non-Votes
15,631,071	4,841,545	5,736	884,287

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Item 5. Other Information

During the second quarter of fiscal 2007, the Company commenced negotiations on a new contract with The Steel, Paper House, Chemical Drivers & Helpers, Local Union 578 (Local 578), affiliated with the International Brotherhood of Teamsters, covering hourly employees in the Company s distribution center. The Company had previously negotiated an extension of this contract through August 31, 2007. The Company has a separate contract with Local 578 relating to certain store employees, and that contract also expires on August 31, 2007. Subsequent to the end of the second quarter of fiscal 2007, the Company commenced negotiations on the contract covering store employees.

Item 6. Exhibits

(a) Exhibits

Exhibit Number	Description of Document
10.1	2007 Equity and Performance Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Big 5 Sporting Goods Corporation on June 25, 2007).
10.2	Form of Stock Option Grant Notice and Stock Option Agreement for use with the 2007 Equity and Performance Incentive Plan (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Big 5 Sporting Goods Corporation on June 25, 2007).
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Section 1350 Certification of Chief Executive Officer.
32.2	Section 1350 Certification of Chief Financial Officer.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BIG 5 SPORTING GOODS CORPORATION,
a Delaware corporation

Date: August 6, 2007	By: /s/ Steven G. Miller Steven G. Miller *Chairman of the Board of Directors, President, Chief Executive Officer and Director of the Company*
Date: August 6, 2007	By: /s/ Barry D. Emerson Barry D. Emerson *Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)*

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