Blackhawk Fund
Form 10QSB
November 13, 2007

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

FORM 10-QSB

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended September 30, 2007

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from ____ to ____

Commission File Number: **000-49672**

THE BLACKHAWK FUND
(Exact Name of Small Business Issuer as Specified in its Charter)

NEVADA	88-0408213
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification Number)

1802 N. CARSON STREET, SUITE 212-3018
CARSON CITY, NEVADA 89701
Address of Principal Executive Offices

(775) 887-0670
(Registrant's Telephone Number, Including Area Code)

Check whether the Issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Issuer was required to file such reports), and 2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes [_] No [X]

State the number of shares outstanding of each of the Issuer’s classes of common equity as of the latest practicable date: As of September 30, 2007, the issuer had 237,860,458 shares of its common stock issued and outstanding.

Transitional Small Business Disclosure Format (check one): Yes [ ] No [X]

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

THE BLACKHAWK FUND
BALANCE SHEETS
(Unaudited)

	September 30, 2007	December 31, 2006
ASSETS		
Cash	$ 20,226	$ 11,748
Total current assets	20,226	11,748
Fixed Assets - Net	5,560	
Property held-for-sale	1,774,900	1,692,600
Other Assets	45,648	
TOTAL ASSETS	1,846,334	1,704,348
LIABILITIES AND STOCKHOLDERS' DEFICIT		
LIABILITIES		
Accounts payable and accrued liabilities	104,250	$1,219
Notes payable	757,996	590,700
Total current liabilities	862,246	591,919
Note payable	1,936,000	1,496,000
Commitments and contingencies	-	-
STOCKHOLDERS' DEFICIT		
Preferred stock, $.001 par value:		
Series A: Authorized 20,000,000		
0 and 9,000,000 shares outstanding	-	9,000
Series B: Authorized 10,000,000		
10,000,000 issued and outstanding	10,000	10,000
Series C: Authorized 20,000,000		
10,000,000 issued and outstanding	10,000	10,000
Common stock, Series B 150,000,000 authorized 10,000,000 issued @.001	10,000	
Common Stock 4,000,000,000 authorized 237,860,458 and 24,664,792 issued and outstanding @.001	237,860	24,665
Additional paid in capital	36,095,603	34,646,962
Stock subscriptions receivable	(147,434)	
Retained deficit	(37,167,941)	(35,084,198)
Total Stockholders' Deficit	(951,912)	(383,571)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,846,334	$1,704,348

See accompanying notes to financial statements.

THE BLACKHAWK FUND
STATEMENTS OF OPERATIONS
For the Three Months and Nine Months
Ended September 30, 2007 and 2006
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Income:				
Consulting and Sales	38,145	7,451	$ 313,073	$7,451
Cost of Goods	17,072		251,303	
Total	21,073	7,451	61,770	7,451
Expenses				
Stock for Services	28,900		1,322,836	
General & administrative	525,705	210,270	695,681	349,364
Loss from operations	(533,532)	(202,819)	(1,956,747)	(341,913)
Interest expense	43,975	32,698	126,996	61,149
Net loss	$(577,507)	$(235,517)	$(2,083,743)	$(403,062)
Basic and diluted loss per share	$(0.00)	$(0.01)	$(0.01)	$(0.03)
Weighted average shares outstanding	219,960,457	23,274,941	160,980,728	14,824,392

See accompanying notes to financial statements.

THE BLACKHAWK FUND
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2007 and 2006
(Unaudited)

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (2,083,743)	$(403,062)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock issued for services	1,322,836	53,000
Depreciation	505	
Gain on sale of property	-	(7,451)
Changes in: Other Assets	(45,648)	-
Accounts payable and accrued liabilities	103,031	3,952
NET CASH USED IN OPERATING ACTIVITIES	(703,019)	(353,561)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of buildings/assets	(88,365)	(272,583)
Proceeds from sale of building		147,451
NET CASH USED IN INVESTING ACTIVITIES	(88,365)	(125,132)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from stock issuances/subscriptions	182,566	182,854
Proceeds from stock sales	10,000	5,000
Proceeds from note payable -	607,296	478,001
Payments on note payable -		(23,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES	799,862	642,855
NET CHANGE IN CASH	8,478	164,162
CASH BALANCES		
-Beginning of period	11,748	12,709
-End of period	$20,226	176,871
Supplemental disclosures:		
Interest paid	$ 91,812	$ 51,115
Income taxes paid	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Mortgage liability assumed on home		$ 1,000,000
Conversion of 10,000 preferred shares to common	$ 9,000	$ 9,000

See accompanying notes to financial statements.

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THE BLACKHAWK FUND
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of The Blackhawk Fund ("Blackhawk" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in Blackhawk's Annual Report filed with the SEC on Form 10-KSB. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for 2006 as reported in the 10-KSB have been omitted.

NOTE 2 - STOCK BASED COMPENSATION

Prior to January 1, 2006 we accounted for stock based compensation under Statement of Financial Accounting Standards No. 123 Accounting for Stock-Based Compensation (FAS 123). As permitted under this standard, compensation cost was recognized using the intrinsic value method described in Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB 25). Effective January 1, 2006, the Company has adopted Statement of Financial Accounting Standards No. 123 (Revised 2004), Share-Based Payment (FAS 123R) and applied the provisions of the Securities and Exchange Commission Staff Accounting Bulletin No. 107 using the modified-prospective transition method. Prior periods were not restated to reflect the impact of adopting the new standard. As a result of the adoption of FAS 123R, stock-based compensation expense recognized during the six months ended June 30, 2007 includes compensation expense for all share-based payments granted on or prior to, but not yet vested as of December 31, 2006, based on the grant date fair value estimated in accordance with the original provisions of FAS 123, and compensation cost for all share-based payments granted on or subsequent to January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of FAS 123R.

Beginning on January 1, 2006, any future excess tax benefits derived from the exercise of stock options will be recorded prospectively and reported as cash flows from financing activities in accordance with FAS 123R.

During the nine months ended June 30, 2007, the Company did not make any stock option grants and therefore did not recognize any stock-based option expense. During the nine months ended September 30, 2007 the Company recorded stock based consulting expense of $1,322,836, as determined under FASB 123R..

NOTE 3 - PROPERTY - HELD FOR SALE

In late March 2006, the Company purchased a condominium located in Carlsbad, California for $625,083. The Company intends to renovate and sell the condo. Since the Company intends to sell the condominium upon completion of the planned renovations, it has been designated as "held-for-sale". Therefore it will be carried at the lower cost or fair value (net of expected sales costs) during the renovation period and will not be depreciated. Major improvements and renovations are capitalized.

THE BLACKHAWK FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)

In June of 2006, the Company entered into a joint venture agreement to renovate and then sell a residential home located in Oceanside, California. The Company is a 50% joint venture partner, but has the right to exercise control. The Company is 100% responsible for improvement costs, with these costs to be reimbursed upon sale and any remaining profits split 50/50. the Company has valued the house at the value of the liability assumed of $1,000,000. As the intention on this property is identical described above the description related to "held for sale" and depreciation apply.

NOTE 4 - COMMON STOCK

During the nine months ended September 30, 2007, the company issued 213,195,666 shares of common stock. Of this amount 90,000,000 was converted from preferred stock, 99,067,000 shares for services valued at $1,322,836 and 24,128,666 for cash of $90,000.
In April 2007, the Company created a new class of common stock pursuant to a subscription agreement. That agreement, indicates 10,000,000 shares issued with a par value of .001. The Company has issued the shares and has recorded a subscription receivable. For the nine months ended September 30, 2007 $102,566 has been realized.

NOTE 5 - NOTES PAYABLE/MORTGAGES PAYABLE

In conjunction with the purchase of the condominium described in Note 3 above, the Company executed a 30-year adjustable rate promissory note for $496,000. The initial interest rate on the note is 7.875% and may change on April 1, 2008 and on that date every sixth month thereafter. Pursuant to the terms of the note, the Company is required to make interest only payments for the first 10 years (first 120 payments). The initial monthly payments will be $3,225 and may change beginning on April 1, 2008. The note payable is personally guaranteed by the Company’s president.

In conjunction with the joint venture property described in note 3 above, the Company refinanced this note in July 2007 and assumed a 50% interest and corresponding promissory note debt of $1,440,000. Terms indicate that the first note is for $1,120,000 over 30 years interest only for the first 10 years. The second note is carried for $320,000 with interest at 9.875 over 30 years interest only for the first 10 years. Monthly amounts are presently $9,983. Both of the above notes are classified as long term notes payable.

Included in short terms note payable is a note to a vendor for $34,000 payable in monthly installments of $3,000 as settlement for a media invoice.

NOTE 6-RELATED PARTY TRANSACTIONS

At September 30, 2007, and included as a short term note payable, the Company is indebted to a related party for $723,996. . Interest has been imputed at 6% per year.

During the nine months ended September 30, 2007, the Company made payments totaling $245,000 to entities controlled by the CEO and CFO for consulting services.
During the first quarter 2007 30,000,000 shares were issued to its CFO and CEO for services. Those shares have been valued at market and included in stock for services.
During the first quarter 2007, 9,000,000 shares of preferred A stock, held by a related entity, was converted to 90,000,000 shares of common stock.

NOTE 7-GOING CONCERN

The Company has incurred significant losses, has a negative capital, and negative current ratio. These factors, among others indicate that the Company may not be able to continue as a going concern. No adjustments have been made to the carrying value of assets and liabilities should the company not continue as a going concern.

THE BLACKHAWK FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)

NOTE 8-SEGMENT INFORMATION

The Company adopted SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information", in respect of its operating segments. The Company's reportable segment is Blackhawk Media a media and production enterprise.

The segment is managed separately because each business requires different technology and marketing strategies. The Company evaluates performance based upon operating earnings of the unit. The accounting policy of the segment are the same as those described in the summary of significant accounting policies. The corporate assets include cash. There were no significant intercompany transactions. In determining operating income (loss) by segment, general corporate expenses and other income ad expense items of a non operating nature are not considered, as such items are not allocated to the Company's segments. Segment information for the nine months 2007 is as follows.

Sales from Media	$ 296,713
Cost of Sales	251,303
Gross Profit	45,410
Media Expenses	253,495
Loss from Media Segment	(208,085)

For the quarter ended June 30, 2007

Sales from Media	$ 33,641
Cost of Sales	17,072
Gross Profit	16,569
Media Expenses	(188,012)
Loss from Media Segment	(171,443)

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS.

FORWARD-LOOKING INFORMATION

Much of the discussion in this Item is "forward looking" as that term is used in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. Actual operations and results may materially differ from present plans and projections due to changes in economic conditions, new business opportunities, changed business conditions, and other developments. Other factors that could cause results to differ materially are described in our filings with the Securities and Exchange Commission.

There are several factors that could cause actual results or events to differ materially from those anticipated, and include, but are not limited to general economic, financial and business conditions, changes in and compliance with governmental laws and regulations, including various state and federal environmental regulations, our ability to obtain additional financing from outside investors and/or bank and mezzanine lenders and our ability to generate sufficient revenues to cover operating losses and position us to achieve positive cash flow.

Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date hereof. We believe the information contained in this Form 10-QSB to be accurate as of the date hereof. Changes may occur after that date. We will not update that information except as required by law in the normal course of its public disclosure practices.

Additionally, the following discussion regarding our financial condition and results of operations should be read in conjunction with the financial statements and related notes contained in Item 1 of Part I of this Form 10-QSB, as well as the financial statements in Item 7 of Part II of our Form 10-KSB for the fiscal year ended December 31, 2006.

MANAGEMENT'S PLAN OF OPERATIONS.

CURRENT BUSINESS PLAN

WE have the following business model in place and operating: 1. We purchase, renovate, develop and sell residential properties. 2. We have an existing media business in which we produce infomercials and media stream advertising. The Company generates revenue from advertising sponsors seeking to reach a target audience. These advertisers pay for their commercial to be aired on The Company’s network quality television programs.

RESULTS OF OPERATIONS

THREE MONTHS ENDED September 30, 2007 COMPARED TO THE THREE MONTHS ENDED September 30, 2006.

Total income was $38,145 for the three months ended September 30, 2007 compared to $7,451 for the prior period. Income in the 2007 period was derived predominately from the media business. In 2006, income was derived from the gain on the sale of property purchased in the quarter.

General and administrative expenses for the three months ended September 30, 2007 compared to 2006 increased by $315,435 to $525,705 from $210,270 in the prior period due mainly to expenses to operate the media business which was present in 2007, and not in 2006 and an increase in compensation to the Company’s officers.

Stock for services was $28,900 compared to zero in 2006.

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The loss from operations increased from a loss of $202,819 for the three months ended September 30, 2006 to a loss of $533,532 for the three months ended September 30, 2007.

Interest expense for the three months ended September 30, 2007 was $43,975compared to $32,698 in 2006 due to an increase in borrowings.

NINE MONTHS ENDED September 30, 2007 COMPARED TO THE NINE MONTHS ENDED September 30, 2006

Total income was at $313,073 for the nine months ended September 30, 2007 compared to $7,451 for the prior period. Income in the 2007 period were derived from the media business. In 2006, income was derived from the gain on the sale of a property.

General and administrative expenses for the nine months ended September 30, 2007 compared to 2006 increased by $346,317 to $695,681 from $349,364 in the prior period. The 2007 expenses include the media business plus higher officer compensation.

Stock for Services was $1,322,836 for the nine months ended September 30, 2007.

The loss from operations increased to $1,956,747from a loss of $341,913 for the nine months ended September 30, 2006.

Interest expense for the nine months ended September 30, 2007 was $126,996 as compared to the same period of $61,149 .

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2007, we had a negative working capital of $842,020. Cash used in operating activities was $703,619 compared to $353,561 for the prior year. Cash used in investing activities was $88,365 compared to $125,132 in the prior year.

Cash provided by financing activities was $799,862 compared to $642,855 in the prior year. Of the 2007 amount, $192,566 was from stock subscriptions and $607,296 was from additional notes.. Of the 2006 amount, $187,854 was from stock subscription agreements and $478,001 was from additional notes.

CRITICAL ACCOUNTING POLICIES

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect our reported assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities. We base our estimates and judgments on historical experience and on various other assumptions we believe to be reasonable under the circumstances. Future events, however, may differ markedly from our current expectations and assumptions. A summary of our critical accounting policies can be found in the notes to our financial statements included in our form 10-KSB for the year ended December 31, 2006.

OFF-BALANCE SHEET ARRANGEMENTS.

We do not have any off-balance sheet arrangements.

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ITEM 3. CONTROLS ANDPROCEDURES.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

Evaluation of Disclosure and Controls and Procedures. As of the end of the period covered by this Quarterly Report, we conducted an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) of the Exchange Act). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms

Changes in Internal Controls Over Financial Reporting. There was no change in our internal controls, which are included within disclosure controls and procedures, during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS.

EXHIBIT NO.	IDENTIFICATION OF EXHIBIT
31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Sec.1350, as adopted pursuant to Sec.302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Sec.1350, as adopted pursuant to Sec.302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Sec.1350, as adopted pursuant to Sec.906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Sec.1350, as adopted pursuant to Sec.906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE BLACKHAWK FUND
Dated: November 5, 2007
By /s/ Steve Bonenberger
Steve Bonenberger, President, Chief
Executive Officer and Director

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