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

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2008

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

For the transition period from _________________ to _________________

Commission File No.: 000-49672

THE BLACKHAWK FUND
(Exact name of registrant as specified in its charter)

Nevada	**88-0408213**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1802 N. Carson Street, Suite 212-3018
Carson City, NV 89701
(Address of principal executive offices)

Issuer's telephone number: **(775) 887-0670**

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Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

APPLICABLE ONLY TO CORPORATE ISSUERS

As of November 13, 2008, 562,293,791 shares of our common stock were outstanding.

ITEM 1 – CONDENSED FINANCIAL STATEMENTS

THE BLACKHAWK FUND
BALANCE SHEET

		(unaudited) September 30, 2008		December 31, 2007
ASSETS				
Cash	$	2,343		2,381
Prepaid financing costs		23,911		24,533
Total current assets		26,254		26,914
Fixed Assets-net		—		5,055
Property - held-for-sale/prepaid financing costs		1,774,900		1,774,900
TOTAL ASSETS	$	1,801,154	$	1,806,869
LIABILITIES AND STOCKHOLDERS' DEFICIT				
LIABILITIES				
Accounts payable and accrued liabilities	$	94,090	$	4,240
Note Payable		843,199		22,000
Notes payable-related party		47,876		827,828
Total current liabilities		985,165		854,068
Long term liability				
Note payable		1,936,000		1,936,000
Total Liabilities		2,921,165		2,790,068
Commitments and contingencies		—		—
STOCKHOLDERS' DEFICIT				
Preferred stock, $0.001 par value:				
Series A, authorized 500,000, 500,000 issued and outstanding		500		—
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,$0.001 par value, 4,000,000,000 shares authorized, 562,293,791 and 341,193,791 shares issued and outstanding at September 30, 2008 and December 31, 2007, respectively		562,294		341,194
Common Stock B, $0.001 par value 150,000,000 authorized, 30,000,000 issued and outstanding		30,000		30,000
Additional Paid in Capital		36,585,416		36,252,318
Common Stock Subscribed		—		(223,862)
Retained Deficit		(38,318,221)		(37,402,849)
Total Stockholders' Deficit		(1,120,011)		(983,199)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$	1,801,154	$	1,806,869

See accompanying notes to financial statements.

THE BLACKHAWK FUND
STATEMENTS OF OPERATIONS
Three and Nine Months Ended September 30, 2008 and 2007
(unaudited)

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
Revenues	$ 6,000	38,145	25,765	313,073
Cost of Sales	—	17,072	—	251,303
Gross Profit	6,000	21,073	25,765	61,770
OPERATING EXPENSES				
General & Administrative	32,851	525,705	204,597	695,681
Stock for Services	—	28,900	92,300	1,322,836
Interest Expense	51,045	43,975	644,240	126,996
Total Expenses	83,896	224,376	941,137	2,145,513
NET LOSS	$ (77,896)	(577,507)	$ (915,372)	(2,083,743)
Basic and Diluted Net Income (Loss) Per Common Share	$ (0.00)	(0.00)	$ (0.00)	(0.01)
Weighted Average Number of Shares Outstanding	562,293,791	219,960,457	488,593,791	160,980,728

See accompanying notes to financial statements.

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THE BLACKHAWK FUND
STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 2008 and 2007
(unaudited)

	September 30, 2008	September 30, 2007
Cash Flows From Operating Activities		
Net Loss	$ (915.372)	$ (2,083,743)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	505	505
Stock Issued for Services/option expense	92,300	1,322,836
Stock Issued for Interest Expense (Financing)	500,000	—
Changes in:		
Other assets (increase)	642	(45,648)
Increase (Decrease) in Accounts Payable	89,850	103,031
Net cash used in operating activities	(232,075)	(703,019)
Cash Flows From Investing Activities:		
Sale (Purchase) of Assets	4,550	(88,365)
Net cash provided by (used in) investing activities	4,550	(88,365)
Cash Flows From Financing Activities:		
Proceeds from stock issuances/subscriptions	186,260	182,566
Proceeds from stock sales	—	10,000
Payments on notes payable - related party	(37,324)	—
Proceeds from notes payable - related party	78,551	607,296
Net cash provided by financing activities	227,487	799,862
Net Change in Cash	(38)	8,478
Cash Beginning of Period	2,381	11,748
Cash End of Period	2,343	20,226
Supplemental disclosures:		
Cash paid for:		
Interest	$ 99,549	$ 91,812
Income Taxes	$ —	$ —

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 2007 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 nine months ended September 30, 2008 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 September 30, 2008 the Company recorded stock based consulting expense of $92,300, as determined under FASB 123R..

NOTE 3 - PROPERTY - HELD FOR SALE/FIXED ASSETS

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.

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 original 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" no depreciation applies. The Company has capitalized improvements on this property of $149,817.

NOTE 4 - COMMON STOCK

During the nine months ended September 30, 2008, the company issued 221,100,000 shares of common stock under its stock option plan resulting in an expense of $92,300 and cash received $186,260.

NOTE 5-PREFERRED STOCK

Series A Preferred Stock

On April 24, 2008, the Company withdrew its certificate of designation establishing the Company's Series A Preferred Stock and filed a new certificate of designation for 500,000 shares of Series A Preferred Stock, par value $0.001 per share. Anytime after October 24, 2008, the Series A Preferred Stock is convertible based upon the average of the per shares market value of the Company's common stock during the 20 trading days immediately preceding a conversion date. In addition, upon the consummation of a bona fide sale third party sale by the Company of its securities resulting in gross proceeds of at least $1,000,000, the Series A Preferred Stock will automatically convert into the securities being sold in such offering. The Series A Preferred Stock has no voting rights, dividend rights, liquidation preference, redemption rights, or preemptive rights.

On April 24, 2008, the Company issued 500,000 shares of the newly designated Series A Preferred Stock as part of a financing transaction. See Note 6. The Company has valued the convertible shares using the Black-Scholes model and has recognized a financing expense equivalent to the stated value of the Series A Preferred Stock of $500,000.

Series B Preferred Stock

On April 24, 2008, the Company amended the certificate of designation establishing the Company's Series B Preferred Stock. Pursuant to this amendment, the Company's Series B Preferred Stock now contains on limitation on conversions such that no holder of Series B Preferred Stock can convert such shares into the Company's common stock if such conversion would result in the holder owning in excess of 4.99% of the Company's issued and outstanding common stock.

Series C Preferred Stock

On April 24, 2008, the Company amended the certificate of designation for its Series C Preferred Stock. Pursuant to the Amendment, on all matters submitted to a vote of the holders of the common stock, including, without limitation, the election of directors, a holder of shares of the Series C Preferred Stock shall be entitled to the number of votes on such matters equal to the product of (a) the number of shares of the Series C Preferred Stock held by such holder, (b) the number of issued and outstanding shares of the Company's common stock, on a fully-diluted basis, as of the record date for the vote, or, if no such record date is established, as of the date such vote is taken or any written consent of stockholders is solicited, and (c) 0.0000002.

NOTE 6 – 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%. 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 were $3,225 and have since been reduced to $2,273. The note payable is personally guaranteed by the Company's former president. The note payable is personally guaranteed by the Company's president. This note is arrears at September 30, 2008.

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, with interest only payments required for the first 10 years. The second note is carried for $320,000 with interest at 9.875% over 30 years, with interest only payments required for the first 10 years. Monthly amounts are presently $9,983. Both of the above notes are classified as long term notes payable. This amount is in arrears at September 30, 2008.

On April 24, 2008, the Company issued, and the formerly related party accepted, a subordinated secured non-recourse note in the principal amount of $841,828, due December 31, 2008. The current balance on this note is $843,199. See Note 8.

On April 24, 2008, the Company and Terminus, Inc., as co-issuers, issued and sold to a single accredited investor: (i) a $550,000 12% secured promissory note and (ii) 500,000 shares of the Company's Series A Preferred Stock. To secure payment of the note, Terminus pledged the 10,000,000 shares of the Company's Series C Preferred Stock. The Company is considered a guarantor of the note, and accordingly, has treated the note as a contingent liability.

NOTE 7- CONTINGENT LIABILITY

On April 24, 2008, the Company and Terminus, Inc. as co-issuers, issued and sold to a single accredited investor (1) a $550,000 12% secured promissory note and (2) 500,000 shares of the Company's Series A Preferred Stock. To secure payment of the note Terminus pledged the 10,000,000 shares of the company's Series C Preferred Stock. The Company is considered a guarantor of the note, and accordingly, has treated the note as a contingent liability.

NOTE 8-RELATED PARTY TRANSACTIONS

At March 31, 2008, the Company was indebted to a formerly related party for $801,616. Interest had been imputed at 6% per year. On April 24, 2008, the Company issued, and the formerly related party accepted, a subordinated secured non-recourse note in the principal amount of $841,828, due October 24, 2008. The note is secured by the real estate described in Note 3 above, but is subordinated to the notes described above. The lender's recovery for default on payment of this note is limited to limited solely to the real estate described above. The current balance on this note is $843,199.

At September 30, 2008, Terminus, Inc. the holder of the Company's Series C Preferred Stock, has loaned the company approximately $45,596. The loan is payable upon demand with interest at 12%. Interest added to this loan is $2,280 at September 30, 2008.

During the nine months ended September 30, 2008, the Company made payments totaling $65,000 to entities controlled by the former CEO and CFO for consulting services.

NOTE 9-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.

ITEM 2 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read in conjunction with our financial statements and related notes included in this report. This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The statements contained in this report that are not historic in nature, particularly those that utilize terminology such as "may," "will," "should," "expects," "anticipates," "estimates," "believes," or "plans" or comparable terminology are forward-looking statements based on current expectations and assumptions. Various risks and uncertainties could cause actual results to differ materially from those expressed in forward-looking statements. Please refer to the Risk Factors section of our Annual Report on Form 10-KSB for a description of these risks and uncertainties.

All forward-looking statements in this document are based on information currently available to us as of the date of this report, and we assume no obligation to update any forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

General

The Blackhawk Fund acquires and redevelops residential and commercial real estate for investment. Once we acquire a property, we redevelop and refurbish the properties, seeking to enhance the value of the properties. Once a property is refurbished, we seek to generate revenue by rental of the property, and we also seek to resell the properties if market conditions permit. We currently hold two properties in our real estate portfolio.

Historically, we have also operated a media and television production division. In this division, we have sought to manage and implement proprietary media properties, including cable television shows, infomercials, online video magazines, and DVDs. However, as discussed below, management has determined that the ongoing media and television production operations are not viable, and accordingly has determined to discontinue the media and television production operations.

Change of Control and Change in Management

On April 24, 2008, we entered into a stock purchase agreement with Terminus, Inc. and Palomar Enterprises, Inc. pursuant to which Terminus purchased 10,000,000 shares of our Series C Preferred Stock from Palomar for $363,000. As a result, the sale of the Series C Preferred Stock by Palomar to Terminus effectively transferred Palomar's control of our company to Terminus.

Concurrently, Steve Bonenberger resigned as our President and Chief Executive Officer, and Brent Fouch resigned as our Secretary and Chief Financial Officer. In connection therewith, the board of directors increased the number of authorized directors from two to three and appointed Frank Marshik to fill the newly created vacancy on the board. The board of directors then appointed Mr. Marshik as our President, Chief Financial Officer, and Secretary. Thereafter, Mr. Bonenberger and Mr. Fouch resigned as directors. Mr. Marshik, as the sole remaining director, appointed Terry Ross to fill one of the two vacancies resulting from these resignations.

On August 19, 2008, the board of directors reduced the number of authorized directors from three (3) to one (1). Concurrently therewith, Terry Ross resigned as a director. Mr. Ross' resignation was not due to any disagreements with The Blackhawk Fund on matters relating to its operations, policies, and practices.

Plan of Operation

Our new management determined that our company has incurred operating and net losses in each of the last two fiscal years, had a working capital deficit as of the end of the latest fiscal year and as of the latest fiscal quarter, and has a large accumulated deficit. Accordingly, new management has commenced an analysis of each of our two business lines to determine the viability of each line during the second and third quarters of 2008. Within each line of business, management has evaluated and is evaluating historical and projected costs in running the line, existing and potential revenue streams, and the availability of additional capital for expansion of the business line. In particular, with respect to the real estate business, management is evaluating our current real estate portfolio in light of current market conditions, both in the real estate markets and the credit markets. Upon completion of the analysis, management will determine whether to seek to expand the business line or to discontinue or divest of the division.

As of the date of this report, management has determined that, based on its analysis of the foregoing factors, the media and television production operations are not viable. Accordingly, management has determined to discontinue the media and television production operations. Management is continuing the evaluation of our real estate business, the existing real estate portfolio valuations, the existing and potential rental possibilities, the current market values, and the existing financing arrangements. In addition, in light of the distress in the real estate markets, management is looking at potential real estate acquisition opportunities that, if consummated, would increase and diversify our real estate portfolio. Management is also considering diversifying into additional lines of business. In all cases, management may seek to form one or more partnerships, enter into one or more joint ventures, or conduct one or more strategic acquisitions.

Critical Accounting Policies

The discussion and analysis of our financial conditions and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of financial statements requires managers to make estimates and disclosures on the date of the financial statements. On an on-going basis, we evaluate our estimates, including, but not limited to, those related to revenue recognition. We use authoritative pronouncements, historical experience, and other assumptions as the basis for making judgments. Actual results could differ from those estimates. We believe the following critical accounting policies affect our more significant judgments and estimates in the preparation of our consolidated financial statements. A summary of our critical accounting policies can be found in the notes to our annual financial statements included our Form 10-KSB for the year ended December 31, 2007.

Results of Operations

Basis of Presentation

The following table sets forth, for the periods indicated, certain unaudited selected financial data:

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	None Months Ended September 30, 2008	None Months Ended September 30, 2007
Revenues	$ 6,000	$ 38,145	$ 25,765	$ 313,073
Costs of Sales	—	17,072	—	251,303
General and administrative	32,851	525,705	204,597	695,681
Stock for services	—	28,900	92,300	1,322,836
Interest Expense	51,045	43,975	644,240	126,996
Operating income (loss)	$ (77,896)	$ (577,507)	$ (915,372)	$ (2,083,743)

Comparison of the three months ended September 30, 2008 and 2007

Net sales. Our revenues were $6,000 for the three months ended September 30, 2008, as compared to $38,145 for the three months ended September 30, 2007. This decrease resulted from lower demand for our media products and services which resulted in our decision to cease our media operations. The decrease also resulted from a lack of sales of any real estate properties held for development. Our revenues were generated from rental income from our real estate properties.

Cost of Sales. Our costs of sales were $0 for the three months ended September 30, 2008, as compared to $17,072 for the three months ended September 30, 2007, all of which resulted from our media operations.

General and administrative. General and administrative expenses increased to $32,851 for the three months ended September 30, 2008 from $525,705 for the three months ended September 30, 2007.

Stock/Options for Services. Expenses resulting from the issuance of our common stock and options to purchase our common stock decreased to $0 for the first three months ended September 30, 2008 from $28,900 for the comparable period in the prior fiscal year. This decrease resulted from a significant reduction in shares and options issued for services in the third quarter of 2008 as compared to the third quarter of 2007.

Interest. Interest expense increased to $51,045 for the three months ended September 30, 2008 from $43,975 for the three months ended September 30, 2007. This increase resulted primarily from the issuance of 500,000 shares of Series A Preferred Stock, valued at $500,000, in connection with our change of control financing.

Net loss. We incurred an operating loss of $77,896 for the three months ended September 30, 2008, compared to a net loss of $577,507 for the three months ended September 30,2007. The decrease in net loss resulted primarily from the decrease in expenses associated with cessation of media department.

Comparison of the nine months ended September 30, 2008 and 2007

Net sales. Our revenues were $25,765 for the nine months ended September 30, 2008, as compared to $313,073 for the nine months ended September 30, 2007. This decrease resulted from lower demand for our media products and services which resulted in our decision to cease our media operations. The decrease also resulted from a lack of sales of any real estate properties held for development. Our revenues were generated from rental income from our real estate properties and revenues from our former media operations.

Cost of Sales. Costs of sales were $0 for the nine months ended September 30, 2008, as compared to $251,303 for the nine months ended September 30, 2007, all of which resulted from our media operations.

General and administrative. General and administrative expenses decreased to $204,597 for the nine months ended September 30, 2008 from $695,681 for the nine months ended September 30, 2007.

Stock/Options for Services. Expenses resulting from the issuance of our common stock and options to purchase our common stock decreased to $92,300 for the first nine months ended September 30, 2008 from $1,322,836 for the comparable period in the prior fiscal year. This decrease resulted from a significant reduction in shares and options issued for services in the first three quarters of 2008 as compared to the first three quarters of 2007.

Interest. Interest expense increased to $644,240 for the nine months ended September 30, 2008 from $126,996 for the nine months ended September 30, 2007. This increase resulted primarily from the issuance of 500,000 shares of Series A Preferred Stock, valued at $500,000, in connection with our change of control financing.

Net loss. We incurred an operating loss of $915,372 for the nine months ended September 30, 2008, compared to a net loss of $2,083,743 for the nine months ended September 30, 2007. The reduction in net loss resulted primarily from a significant reduction in shares and options issued for services in the first three quarters of 2008 as compared to the first three quarters of 2007. The reduction was offset by the issuance of 500,000 shares of Series A Preferred Stock, valued at $500,000, in connection with our change of control financing

Liquidity and Capital Resources

We have financed our operations, debt service, and capital requirements through cash flows generated from operations and through issuance of debt and equity securities. Our working capital deficit at September 30, 2008 was $958,911, and we had cash of $2,343 as of September 30, 2008.

We used $232,075 of net cash in operating activities for the nine months ended September 30, 2008, compared to using $703,019 in the nine months ended September 30, 2007. The net loss of $915,372 was offset by non-cash expenses of $505 in depreciation and amortization, $92,300 of stock and options issued for services, $500,000 of stock issued for interest in connection with the change in control financing, an increase of $89,850 in accounts payable, and an increase of $640 in other assets.

We generated $4,550 net cash flows from investing activities for the nine months ended September 30, 2008, whereas we used $88,365 in net cash flows from investing activities for the nine months ended September 30, 2007. The cash flow generated from investing activities related to the disposition of certain equipment.

Net cash flows provided by financing activities were $227,487 for the nine months ended September 30, 2008, compared to net cash flows provided by financing activities of $799,862 for the nine months ended September 30, 2007. This increase in net cash provided by financing activities is due to proceeds from the exercise of stock options and receipt of stock subscriptions of $186,260 and proceeds from related party notes payable of $78,551. These cash flows were offset by repayment of $37,324 of related party debt.

Capital Requirements

Our financial statements for the fiscal year ended December 31, 2007 state that we have incurred significant losses, have a negative capital, and a negative current ratio. These factors, among others indicate that we may not be able to continue as a going concern. We believe that, as of the date of this report, in order to fund our plan of operations over the next 12 months, we will need to fund its operations out of cash flows generated from operations, from the borrowing of money, and from the sale of additional securities. It is possible that we will be unable to obtain sufficient additional capital through the borrowing of money or the sale of our securities as needed.

Part of our growth strategy may include diversifying into additional lines of business, forming one or more partnerships, entering into one or more joint ventures, or conducting one or more strategic acquisitions, which may require us to raise additional capital. We do not currently have binding agreements or understandings to acquire any other companies.

We intend to retain any future earnings to pay our debts, finance the operation and expansion of our business and any necessary capital expenditures, and for general corporate purposes.

Off-Balance Sheet Arrangements

On April 24, 2008, the Company and Terminus, Inc., as co-issuers, issued and sold to a single accredited investor: (i) a $550,000 12% secured promissory note and (ii) 500,000 shares of the Company’s Series A Preferred Stock. To secure payment of the note, Terminus pledged the 10,000,000 shares of the Company’s Series C Preferred Stock. The Company is considered a guarantor of the note, and accordingly, has treated the note as a contingent liability. In the event that Terminus defaults on the note, the Company will become unconditionally liable for repayment of all principal and interest then due under the note and will incur an expense for the full amount of all such principal and interest. The purpose of the Company’s guarantee of the note was to facilitate the change in control transaction.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4 – CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports that we file under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based on the definition of "disclosure controls and procedures" in Rule 13a-15(e). In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

At the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our former management, including our former Chief Executive Officer and former Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our former Chief Executive Officer and our former Chief Financial Officer concluded that our disclosure controls and procedures were effective to ensure that all material information required to be disclosed in this Quarterly Report on Form 10-Q has been made known to them in a timely fashion.

Our former Chief Executive Officer and former Chief Financial Officer have also evaluated whether any change in our internal controls occurred during the last fiscal quarter and have concluded that there were no material changes in our internal controls or in other factors that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, these controls.

PART II: OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

None.

ITEM 2 – CHANGES IN SECURITIES

None.

ITEM 3 – DEFAULT UPON SENIOR SECURITIES

(a) None.

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

None.

ITEM 5 – OTHER INFORMATION

(a) On August 19, 2008, the board of directors reduced the number of authorized directors from three (3) to one (1). Concurrently therewith, Terry Ross resigned as a director. Mr. Ross' resignation was not due to any disagreements with The Blackhawk Fund on matters relating to its operations, policies, and practices.

(b) None.

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ITEM 6 - EXHIBITS

Item No.	Description	Method of Filing
31.1	Certification of Frank Marshik pursuant to Rule 13a-14(a)	Filed herewith.
32.1	Chief Executive Officer and Chief Financial Officer Certification pursuant o 18 U.S.C. § 1350 adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002	Filed herewith.

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.

THE BLACKHAWK FUND

November 13, 2008

/s/ Frank Marshik
Frank Marshik
President
(Principal Executive Officer and Principal Accounting Officer)