

Blackhawk Fund
Form SB-2
April 11, 2007

As filed with the Securities and Exchange Commission on April 11, 2007
(Registration No. 333)

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

THE BLACKHAWK FUND

(Name of small business issuer in its charter)

Nevada	8900	88-0408213
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1802 N. Carson St., Suite 212-3018
Carson City, Nevada 89701
(775) 887-0670

The BlackHawk Fund
1802 N. Carson St., Suite 212-3018
Carson City, Nevada 89701
(775) 887-0670

(Name, address and telephone number of agent for service)

Copy of all communications to:

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Approximate Date of Commencement of Proposed Sale to the Public: As soon as practicable after the effective date of this Registration Statement.

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, as amended, check the following box:

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If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to Be Registered⁽¹⁾	Proposed Maximum Offering Price Per Share⁽¹⁾⁽²⁾	Proposed Maximum Aggregate Offering Price⁽²⁾	Amount of Registration Fee
Common Stock, \$0.001 par value	55,000,000	\$0.01	\$550,000	\$16.89

- (1) The shares of our Common Stock being registered hereunder are being registered for resale by the selling securityholder named in the prospectus. In accordance with Rule 416(a), the registrant is also registering hereunder an indeterminate number of shares that may be issued and resold to prevent dilution resulting from stock splits, stock dividends or similar transactions. For purposes of estimating the number of shares of our Common Stock to be included in this registration statement, we calculated a good faith estimate of the number of shares that we believe may be issuable pursuant to the equity line financing to account for market fluctuations. Should we have insufficient shares, we will not rely upon Rule 416, but will file a new registration statement to cover the resale of such additional shares should that become necessary.
- (2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, based on the closing price of \$0.013 on the OTC Bulletin Board on April 2, 2007.

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 COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

The information in this prospectus is not complete and may be changed. The selling securityholder 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 it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Dated April 11, 2007

PRELIMINARY PROSPECTUS

55,000,000 SHARES

THE BLACKHAWK FUND

COMMON STOCK

This prospectus relates to the resale of up to 55,000,000 shares of our common stock, par value \$0.001 per share issuable to Dutchess Private Equities Fund, Ltd.(Dutchess or the Selling Securityholder). The Selling Securityholder may sell its common stock from time to time at prevailing market prices.

Our common stock is registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, and is quoted on the over-the-counter market and prices are reported on the OTC Bulletin Board under the symbol BHWF. On April 2, 2007, the closing price as reported was \$ 0.013.

The Selling Securityholder and any participating broker-dealers are underwriters within the meaning of the Securities Act of 1933, as amended, and any commissions or discounts given to any such broker-dealer may be regarded as underwriting commissions or discounts under the Securities Act of 1933. The Selling Securityholder has informed us that it does not have any agreement or understanding, directly or indirectly, with any person to distribute their common stock. We agree to pay the expenses of registering the foregoing shares of our common stock.

INVESTMENT IN THE COMMON STOCK OFFERED BY THIS PROSPECTUS INVOLVES A HIGH DEGREE OF RISK. YOU MAY LOSE YOUR ENTIRE INVESTMENT. CONSIDER CAREFULLY THE RISK FACTORS BEGINNING ON PAGE 5 OF THIS PROSPECTUS BEFORE INVESTING.

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

The date of this prospectus is April ____, 2007

You should rely only on the information contained in or incorporated by reference in this prospectus. We have not, and the Selling Securityholder has not, authorized anyone, including any salesperson or broker, to give oral or written information about this offering, The BlackHawk Fund, or the shares of common stock offered hereby that is different from the information included in this prospectus. If anyone provides you with different information, you should not rely on it. We are not, and the Selling Securityholder is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus is not an offer to sell any securities other than the shares of common stock offered hereby. This prospectus is not an offer to sell securities in any circumstances in which such an offer is unlawful.

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PROSPECTUS SUMMARY

This Summary highlights some information from this prospectus, and it may not contain all of the information that is important you. You should read the entire prospectus carefully, including the more detailed information regarding our company, the risks of purchasing our common stock discussed under risk factors, and our financial statements and the accompanying notes.

In this prospectus, we, us, Company and our , refer to The BlackHawk Fund unless the context provides otherwise. Unless otherwise indicated, the term year, fiscal year or fiscal refers to our fiscal year ending December 31st. Unless we tell you otherwise, the term common stock as used in this prospectus refers to our Common Stock.

THE COMPANY THE BLACKHAWK FUND

CORPORATE HISTORY

We were incorporated in November 1998 in the state of Nevada as USA Telcom and subsequently changed our name in 2000 to USA Telcom Internationale. In 2004, we changed our name to ZannWell, Inc. and, in 2005, we changed our name to Blackhawk Fund.

USA Telcom acted as an agent in commercial transactions between Vietnamese purchasers and US manufacturers. In particular, USA Telcom identified suitable U.S. suppliers for Vietnamese buyers, facilitated communications between the parties, and assisted Vietnamese buyers with the preparation of letters of credit documentation and submission of such to the seller for approval.

Since that time our prior management has decided to terminate the Vietnamese commercial business and focus on opportunities within the United States.

OVERVIEW

The BlackHawk Fund is a principally owned company that is operated by its managing partner, Palomar Enterprises, Inc. (PLMA.OB). The BlackHawk Fund operates as a business development company with the specific interest in Media and Television Production, as well as real estate (both residential and commercial) development projects.

We have the following business model in place and operating: The Company takes a lead role in managing and implementing proprietary media properties that are 100% owned, operated and managed by The Blackhawk Fund (Media Properties). These Media Properties are network quality cable television shows that air nationwide. This media content is converted into Online Video magazines and DVDs, which provide advertising opportunities to selected sponsors. We also re-develop residential and commercial properties to be sold at higher prices. Our purpose is to gain a higher valuation for the equity positions that are held by The BlackHawk Fund in both our redeveloped real properties and also in our media properties that are expanding their advertiser and viewer bases.

In 2006, The BlackHawk Fund was able to establish firm footings in its two core business sectors. The company looks for 2007 to be the largest year in its existence in terms of revenue produced, potential profits retained and shareholder equity increased.

Our principal office is located at 1802 N. Carson Street, Suite 212, Carson City, Nevada 89701. Our website is <http://www.blackhawkfund.com>. The information on our website is not part of this prospectus.

OFFERING

**SHARES OUTSTANDING
PRIOR TO OFFERING**

Common Stock, \$0.001 par value 166,996,792

Series A preferred Stock, \$0.001 par value 0

Series B Preferred Stock, \$0.001 par value 9,000,000

Series C Preferred Stock, \$0.001 par value 15,000,000

Common Stock Offered by Selling Securityholder 55,000,000

Use of Proceeds We will not receive any proceeds from the sale by the Selling Stockholder of shares in this offering, except upon drawdowns made pursuant to the equity line. See Use of Proceeds.

Risk Factors An investment in our common stock involves a high degree of risk and could result in a loss of your entire investment.

OTC Symbol BHWF.OB

Executive Offices Our executive offices are located at 1802 N. Carson Street, Suite 212, Carson City, Nevada. Our telephone number is (775) 887-0670 and our website is: www.blackhawkfund.com. The information on our website is not part of this prospectus.

TRANSACTION SUMMARY

TRANSACTION WITH DUTCHESS PRIVATE EQUITIES FUND, LTD.

On September 18, 2006, we entered into an Investment Agreement (the Agreement) with Dutchess Private Equities Fund, Ltd. (Dutchess) to provide us with an equity line of credit. Pursuant to this Agreement, Dutchess shall commit to purchase up to \$10,000,000 of the Company s Stock over the course of thirty-six (36) months (Line Period), after a registration statement has been declared effective (Effective Date). The amount that the Company shall be entitled to request from each of the purchase Puts , shall be equal to either 1) \$250,000 or 2) 200% of the averaged daily volume (U.S market only) (ADV), multiplied by the average of the three (3) daily closing prices immediately preceding the Put Date. The ADV shall be computed using the ten (10) trading days prior to the Put Date. The Purchase Price for the common stock identified in the Put Notice shall be set at ninety-three percent (93%) of the lowest closing bid price of the common stock during the Pricing Period. The Pricing Period is equal to the period beginning on the Put Notice Date and ending on and including the date that is five (5) trading days after such Put Notice Date. There are put restrictions applied on days between the Put Date and the Closing Date with respect to that Put. During this time, the Company shall not be entitled to deliver another Put Notice.

The Company shall automatically withdraw that portion of the put notice amount, if the Market Price with respect to that Put does not meet the Minimum Acceptable Price. The Minimum Acceptable Price is defined as seventy-five (75%) of the closing bid price of the common stock for the ten (10) trading days prior to the Put Date.

In connection with the Agreement, we entered into a Registration Rights Agreement with Dutchess (Registration Agreement). Pursuant to the Registration Agreement, we are obligated to file a registration statement with the Securities and Exchange Commission covering the shares of common stock underlying the Investment Agreement within twenty-one (21) days after the closing date. In addition, we are obligated to use all commercially reasonable efforts to have the registration statement declared effective by the SEC within ninety (90) days after the filing of the registration statement.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information for our Company as provided in our financial statements for the years ended December 31, 2006 and 2005 on a condensed consolidated basis. You should read this information together with the financial statements and the notes thereto appearing elsewhere in this prospectus and the information under Management's Discussion and Analysis of Financial Condition and Results of Operations.

Condensed Consolidated Statement of Operations Data

	For the Fiscal Year Ended December 31,	
	2006	2005
	(Audited)	(Audited)
Revenues	\$ 149,451	\$ 23,751
General and Administrative Expense	\$ 472,780	\$ 4,803,251
Interest Expense	\$ 100,736	\$ 907
Net Loss from Operations	\$ (564,065)	\$ (4,780,407)
Net Loss Per Share	\$ (0.03)	\$ (4.52)
Weighted Average Common Shares Outstanding	18,424,741	1,057,350

Condensed Consolidated Balance Sheet Data

	As of December 31,
	2006
	(Audited)
Total Current Assets	\$ 11,748
Total Assets	\$ 1,704,348
Working Capital Deficiency	\$ (580,171)
Total Current Liabilities	\$ 591,919
Shareholders Deficit	\$ (383,571)

RISK FACTORS

You should carefully consider the risks described below before buying shares of our Common Stock in this offering. The risks and uncertainties described below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may impair our business operations. If any of the adverse events described in this risk factors section actually occur, our business, results of operations and financial condition could be materially adversely affected, the trading price of our common stock could decline and you might lose all or part of your investment. We have had operating losses to date and cannot assure that we will be profitable in the foreseeable future.

RISKS RELATED TO OUR BUSINESS

WE INCURRED HISTORICAL LOSSES AND HAVE A WORKING CAPITAL DEFICIT. AS A RESULT, WE MAY NOT BE ABLE TO GENERATE PROFITS, SUPPORT OUR OPERATIONS, OR ESTABLISH A RETURN ON INVESTED CAPITAL.

We incurred losses during the fiscal year 2006 of \$564,065. As of December 31, 2006, we had a stockholder deficit of \$383,571. In addition, we expect to increase our infrastructure and operating expenses to fund our anticipated growth. We cannot assure you that any of our business strategies will be successful or that significant revenues or profitability will ever be achieved or, if they are achieved, that they can be consistently sustained or increased on a quarterly or annual basis.

WE EXPECT OUR OPERATING LOSSES TO CONTINUE

We expect to incur increased operating expenses during the next year. The amount of net losses and the time required for us to reach and sustain profitability are uncertain. The likelihood of our success must be considered in light of the problems, expenses, difficulties, and delays frequently encountered in connection with our business. There can be no assurance that we will ever generate revenue or achieve profitability at all or on any substantial basis.

WE HAVE A LIMITED OPERATING HISTORY, WHICH RAISES SUBSTANTIAL DOUBT AS TO OUR ABILITY TO SUCCESSFULLY DEVELOP PROFITABLE BUSINESS OPERATIONS.

We have a limited operating history and our business and prospects must be considered in light of the risks and uncertainties to which early stage companies in the media and real estate business are exposed. We cannot provide assurances that our business strategy will be successful or that we will successfully address those risks and the risks described herein. Most importantly, if we are unable to secure future capital, we will be unable to continue our operations. We may incur losses on a quarterly or annual basis for a number of reasons, some within and others outside our control. The growth of our business will require the commitment of substantial capital resources. If funds are not available from operations, we will need additional funds. We may seek such additional funding through public and private financing, including debt or equity financing. Adequate funds for these purposes, whether through financial markets or from other sources, may not be available when we need them. Even if funds are available, the terms under which the funds are available to us may not be acceptable to us. Insufficient funds may require us to delay, reduce or eliminate some or all of our planned activities. To successfully execute our current strategy, we will need to improve our working capital position. The report of our independent auditors accompanying our financial statements includes an explanatory paragraph indicating there is a substantial doubt about our ability to continue as a going concern due to recurring losses. We plan to overcome the circumstances that impact our ability to remain a going concern through a combination of equity and debt financings. However, no assurances can be given that we will be able to do so.

WE HAVE A LIMITED AMOUNT OF CASH AND ARE LIKELY TO REQUIRE ADDITIONAL CAPITAL TO CONTINUE OUR OPERATIONS.

We have a limited amount of available cash and will likely require additional capital to successfully implement our business plan. The Dutchess equity line described herein would add additional working capital to the extent of the Put Amounts which will sustain our operations for an extended period of time; however, certain draw down restrictions pertaining to the Puts apply which could shorten this period of time. There can be no assurance that we will be able to obtain additional funding when needed, or that such funding, if available, will be obtainable on terms acceptable to us. There can also be no assurance that we will generate revenues from our operations. Our operating and capital requirements during the next fiscal year and thereafter will vary based on a number of factors, including the level of sales and marketing activities for our services and products and the financing made available to the Company. In the event that our operations do not generate sufficient cash flow, or we cannot obtain additional funds if and when needed, we may be forced to curtail or cease our activities, which would likely result in the loss to investors of all or a substantial portion of their investment.

WE MAY FAIL TO CONTINUE AS A GOING CONCERN, IN WHICH EVENT YOU MAY LOSE YOUR ENTIRE INVESTMENT IN OUR SHARES.

Our auditors have issued a going concern opinion, which means that there is substantial doubt that we can continue as an ongoing business for the next 12 months. Unless we can raise additional capital, we may not be able to achieve our objectives and may have to suspend or cease operations.

WE RELY HEAVILY ON OUR MANAGEMENT, THE LOSS OF WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, OPERATING RESULTS AND FINANCIAL CONDITION.

Our future financial success depends to a large degree upon the efforts of Messrs. Steve Bonenberger and Brent Fouch, our officers and directors. They have played major roles in developing and executing our business strategy. The loss of Messrs. Bonenberger and Fouch could have an adverse effect on our business and our chances of profitable operations. While we intend to employ additional management and marketing personnel in order to minimize the critical dependency upon any one person, there can be no assurance that we will be successful in attracting and retaining the persons needed. If we do not succeed in retaining and motivating our current employees and attracting new high quality employees, our business could be adversely affected. We do not maintain key man life insurance on the lives of Messrs. Bonenberger or Fouch.

We must continually implement and improve our products, services, operations, operating procedures and quality controls on a timely basis, as well as expand, train, motivate and manage our work force in order to accommodate anticipated growth and compete effectively in our market. Successful implementation of our strategy also requires that we establish and manage a competent, dedicated work force and employ additional key employees. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our existing and future operations. Any failure to implement and improve such operations could have a material, adverse effect on our business, operating results and financial condition.

WE ARE IN EARLY STAGE OF DEVELOPMENT AND MAY HAVE TO COMPETE WITH COMPANIES WITH GREATER RESOURCES.

We have little operating history that permits you to evaluate our business and our prospects based on prior performance. You must consider your investment in light of the risks, uncertainties, expenses and difficulties that are usually encountered by companies in their early stages of development. We will have to compete with larger companies who have greater funds available for expansion, product development,

and marketing. There can be no assurance that we will become competitive, or if we become competitive, will remain competitive, should this occur and increased competition could materially adversely affect our operations and financial condition.

OUR FUTURE PERFORMANCE IS DEPENDENT ON OUR ABILITY TO RETAIN KEY PERSONNEL

We do not currently maintain key-man insurance on these executives. Our future success is also dependent on our ability to identify, hire, train and retain other qualified managerial and other employees. Competition for these individuals is intense and increasing. The loss of any of their services would be detrimental to us and could have an adverse effect on our business development.

WE HAVE BEEN DEPENDENT UPON OUR OFFICERS, DIRECTORS, AND SHAREHOLDERS TO PROVIDE OUR FUNDING.

We have financed our operations primarily through capital contributed by shareholders and borrowing from both shareholders and financial institutions. During 2006, we received a related party loan of \$518,001. Further, we received approximately \$200,360 in proceeds from the sale of our common stock in 2006.

WE CURRENTLY DO NOT HAVE ANY INDEPENDENT DIRECTORS.

We cannot guarantee that our board of directors will have a majority of independent directors in the future. In the absence of a majority of independent directors, our executive officers could establish policies and enter into transactions without independent review and approval thereof. This could present the potential for a conflict of interest between us and our stockholders and the controlling officers, stockholders or directors.

LIMITATION OF LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS MAY RESULT IN ADVERSE IMPLICATIONS FOR THE COMPANY.

Our officers and directors are required to exercise good faith and high integrity in our management affairs. Our articles of incorporation provide, however, that our officers and directors shall have no liability to our stockholders for losses sustained or liabilities incurred which arise from any transaction in their respective managerial capacities unless they violated their duty of loyalty, did not act in good faith, engaged in intentional misconduct or knowingly violated the law, approved an improper dividend or stock repurchase, or derived an improper benefit from the transaction. Our articles and bylaws also provide for the indemnification by us of the officers and directors against any losses or liabilities they may incur as a result of the manner in which they operate our business or conduct the internal affairs, provided that in connection with these activities they act in good faith and in a manner that they reasonably believe to be in, or not opposed to, our best interests, and their conduct does not constitute gross negligence, misconduct or breach of fiduciary obligations.

RISKS RELATED TO HOLDING OUR SECURITIES

EXISTING STOCKHOLDERS MAY EXPERIENCE SIGNIFICANT DILUTION FROM THE SALE OF OUR COMMON STOCK PURSUANT TO THE INVESTMENT AGREEMENT.

The sale of our common stock to Dutchess Private Equities Fund, Ltd. in accordance with the Investment Agreement may have a dilutive impact on our shareholders. As a result, our net income per share could decrease in future periods and the market price of our common stock could decline. In addition, the lower our stock price is at the time we exercise our put option, the more shares of our common stock we will have to issue to Dutchess Private Equities Fund, Ltd. in order to drawdown on the Equity Line. If our stock price decreases, then our existing shareholders would experience greater dilution. At a stock price of \$0.013 or less, we would have to issue approximately 550 million shares in order to drawdown on the full Equity Line. Accordingly, we may be required to file one or more registration statements to cover all shares under the Equity Line.

The perceived risk of dilution may cause our stockholders to sell their shares, which would contribute to a decline in the price of our common stock. Moreover, the perceived risk of dilution and the resulting downward pressure on our stock price could encourage investors to engage in short sales of our common stock. By increasing the number of shares offered for sale, material amounts of short selling could further contribute to progressive price declines in our common stock.

DUTCHESS PRIVATE EQUITIES FUND LTD. WILL PAY LESS THAN THE THEN-PREVAILING MARKET PRICE OF OUR COMMON STOCK WHICH COULD CAUSE THE PRICE OF OUR COMMON STOCK TO DECLINE.

Our common stock to be issued under the Investment Agreement will be purchased at a seven percent (7%) discount to the lowest closing bid price during the five trading days immediately following our notice to Dutchess Private Equities Fund, Ltd. of our election to exercise our put right. Dutchess Private Equities Fund, Ltd. has a financial incentive to sell our shares immediately upon receiving the shares to realize the profit between the discounted price and the market price. If Dutchess Private Equities Fund, Ltd. sells our shares, the price of our common stock may decrease. If our stock price decreases, Dutchess Private Equities Fund, Ltd. may have a further incentive to sell such shares. Accordingly, the discounted sales price in the Investment Agreement may cause the price of our common stock to decline.

OUR DIRECTORS HAVE THE RIGHT TO AUTHORIZE THE ISSUANCE OF PREFERRED STOCK AND ADDITIONAL SHARES OF OUR COMMON STOCK.

Our directors, within the limitations and restrictions contained in our articles of incorporation and without further action by our stockholders, have the authority to issue shares of preferred stock from time to time in one or more series and to fix the number of shares and the relative rights, conversion rights, voting rights, and terms of redemption, liquidation preferences and any other preferences, special rights and qualifications of any such series. We have no intention of issuing preferred stock at the present time. Any issuance of preferred stock could adversely affect the rights of holders of our common stock.

Should we issue additional shares of our common stock at a later time, each investor's ownership interest in The Blackhawk Fund would be proportionally reduced. No investor will have any preemptive right to acquire additional shares of our common stock, or any of our other securities.

THE ISSUANCE OF SHARES UPON THE EXERCISE OF OUTSTANDING WARRANTS MAY CAUSE IMMEDIATE AND SUBSTANTIAL DILUTION TO OUR EXISTING STOCKHOLDERS.

The issuance of shares upon the exercise of warrants may result in substantial dilution to the interests of other stockholders since the selling stockholders may ultimately convert and sell the full amount issuable on conversion. There is no upper limit on the number of shares that may be issued which will have the effect of further diluting the proportionate equity interest and voting power of holders of our common stock, including investors in this offering.

IF WE FAIL TO REMAIN CURRENT ON OUR REPORTING REQUIREMENTS, WE COULD BE REMOVED FROM THE OTC BULLETIN BOARD WHICH WOULD LIMIT THE ABILITY OF BROKER-DEALERS TO SELL OUR SECURITIES AND THE ABILITY OF STOCKHOLDERS TO SELL THEIR SECURITIES IN THE SECONDARY MARKET.

Companies trading on the OTC Bulletin Board, such as The Blackhawk Fund, must be reporting issuers under Section 12 of the Securities Exchange Act of 1934, as amended (the Exchange Act), and must be current in their reports under Section 13 in order to maintain price quotation privileges on the OTC Bulletin Board. If we fail to remain current on our reporting requirements, we could be removed from the OTC Bulletin Board. As a result, the market liquidity for our securities could be severely adversely affected by limiting the ability of broker-dealers to sell our securities and the ability of stockholders to sell their securities in the secondary market.

OUR STOCK IS THINLY TRADED, AS A RESULT YOU MAY BE UNABLE TO SELL AT OR NEAR ASK PRICES OR AT ALL IF YOU NEED TO LIQUIDATE YOUR SHARES.

The shares of our common stock are thinly traded on the OTC Bulletin Board, meaning that the number of persons interested in purchasing our common shares at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven, early stage company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give you any assurance that a broader or more active public trading market for our common shares will develop or be sustained, or that current trading levels will be sustained. Due to these conditions, we can give investors no assurance that they will be able to sell their shares at or near ask prices or at all if you need money or otherwise desire to liquidate their shares.

OUR COMMON STOCK COULD BE CONSIDERED A PENNY STOCK.

Our common stock could be considered to be a penny stock if it meets one or more of the definitions in Rules 15g-2 through 15g-6 promulgated under Section 15(g) of the Securities Exchange Act of 1934, as amended. These include but are not limited to, the following: (i) the stock trades at a price less than \$5.00 per share; (ii) it is not traded on a recognized national exchange; (iii) it is not quoted on The NASDAQ Stock Market, or even if quoted, has a price less than \$5.00 per share; or (iv) is issued by a company with net tangible assets less than \$2.0 million, if in business more than a continuous three years, or with average revenues of less than \$6.0 million for the past three years. The principal result or effect of being designated a penny stock is that securities broker-dealers cannot recommend the stock but must trade it on an unsolicited basis.

BROKER-DEALER REQUIREMENTS MAY AFFECT TRADING AND LIQUIDITY.

Section 15(g) of the Securities Exchange Act of 1934, as amended, and Rule 15g-2 promulgated thereunder by the SEC require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Potential investors in our common stock are urged to obtain and read such disclosure carefully before purchasing any shares that are deemed to be penny stocks. Moreover, Rule 15g-9 requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult for holders of our common stock to resell their shares to third parties or to otherwise dispose of them in the market or otherwise.

OUR COMMON STOCK MAY BE VOLATILE, WHICH SUBSTANTIALLY INCREASES THE RISK THAT YOU MAY NOT BE ABLE TO SELL YOUR SHARES AT OR ABOVE THE PRICE THAT YOU MAY PAY FOR THE SHARES.

Because of the limited trading market expected to develop for our common stock, and because of the possible price volatility, you may not be able to sell your shares of common stock when you desire to do so. The inability to sell your shares in a rapidly declining market may substantially increase your risk of loss because of such illiquidity and because the price for our common stock may suffer greater declines because of its price volatility.

The price of our common stock that will prevail in the market after this offering may be higher or lower than the price you may pay. Certain factors, some of which are beyond our control, that may cause our share price to fluctuate significantly include, but are not limited to, the following:

- § variations in our quarterly operating results;
- § loss of a key relationship or failure to complete significant transactions;
- § additions or departures of key personnel; and
- § fluctuations in stock market price and volume.

Additionally, in recent years the stock market in general, and the over-the-counter markets in particular, have experienced extreme price and volume fluctuations. In some cases, these fluctuations are unrelated or disproportionate to the operating performance of the underlying company. These market and industry factors may materially and adversely affect our stock price, regardless of our operating performance.

In the past, class action litigation often has been brought against companies following periods of volatility in the market price of those companies common stock. If we become involved in this type of litigation in the future, it could result in substantial costs and diversion of management attention and resources, which could have a further negative effect on your investment in our stock.

MANY OF OUR SHARES OF COMMON STOCK WILL IN THE FUTURE BE AVAILABLE FOR RESALE. ANY SALES OF OUR COMMON STOCK, IF IN SIGNIFICANT AMOUNTS, ARE LIKELY TO DEPRESS THE MARKET PRICE OF OUR SHARES.

Assuming all of the 55,000,000 shares of common stock we are offering under this prospectus are sold in our offering, and all of the shares of common stock issued and issuable to the selling securityholder are sold, we would have 82,083,976 shares that are freely tradable without the requirement of registration under the Securities Act of 1933. 3,125,031 shares of our common stock are restricted securities as defined under Rule 144 of the Securities Act of 1933. Of these shares, approximately 95% of our shares are owned by our officers, directors or other affiliates. These individuals may only sell their shares, absent registration, in accordance with the provisions of Rule 144.

Restricted securities may only be publicly sold pursuant to registration under the Securities Act of 1933, or pursuant to Rule 144 or some other exemption that may be available from the registration requirements of the Securities Act of 1933. Rule 144 entitles each person holding restricted securities for a period of one year, and affiliates who own non-restricted shares of our common stock, to sell every three months in ordinary brokerage transactions an amount of shares which does not exceed the greater of 1% of the shares of our common stock outstanding or, assuming the shares of common stock are then traded on NASDAQ, the average weekly trading volume during the four calendar weeks prior to said sale. Any substantial sales pursuant to Rule 144, including the potential sale of our affiliates shares of our common stock, may have an adverse effect on the market price of shares of our common stock, and may hinder our ability to arrange subsequent equity or debt financing or affect the terms and time of such financing.

AS A RESULT OF THE ACQUISITION, THE FORMER PRINCIPAL SHAREHOLDERS OF BLACKHAWK HAVE SIGNIFICANT INFLUENCE OVER US.

Our officers and directors beneficially own, in the aggregate, 95% of our outstanding voting stock and therefore possess significant influence over us, giving them the ability, among other things, to elect a majority of our Board of Directors and to approve significant corporate transactions. Such stock ownership and control may also have the effect of delaying or preventing a future change in control of the Company, impeding an acquisition, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

WE DO NOT FORESEE PAYING CASH DIVIDENDS IN THE FORESEEABLE FUTURE.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any earning for funding growth however these plans may change depending upon capital raising requirements.

OTHER RISK FACTORS

There are several risks and uncertainties relating to our ability to raise money and grow our business. These risks and uncertainties can materially affect the results predicted. Other risks are our limited operating history, limited financial resources, domestic or global economic conditions, activities of competitors and the presence of new or additional competition, and changes in Federal or State laws and conditions of equity markets.

Our future operating results over both the short and long term will be subject to annual and quarterly fluctuations due to several factors, some of which are outside the control of the Company. These factors are fluctuating market demand for our products, and general economic conditions.

Special Note Regarding Forward-Looking Statements

This prospectus contains forward-looking statements and information relating to our business that are based on our beliefs as well as assumptions made by us or based upon information currently available to us. When used in this prospectus, the words anticipate, believe, estimate, expect, intend, may, plan, project, should and similar expressions are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to our performance in Business and Management's Discussion and Analysis of Financial Condition and Results of Operation. These statements reflect our current views and assumptions with respect to future events and are subject to risks and uncertainties. Actual and future results and trends could differ materially from those set forth in such statements due to various factors. Such factors include, among others: general economic and business conditions; industry capacity; industry trends; competition; changes in business strategy or development plans; project performance; the commercial viability of our products and offerings; availability, terms, and deployment of capital; and availability of qualified personnel. These forward-looking statements speak only as of the date of this prospectus. Subject at all times to relevant federal and state securities law disclosure requirements, we expressly disclaim any obligation or undertaking to disseminate any update or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares of our common stock by the selling securityholder. The proceeds received from any Puts tendered to Dutchess under the Equity Line of Credit will be used for general corporate and working capital purposes and acquisitions of assets, businesses or operations or for other purposes that the Board of Directors, in its good faith deem to be in the best interest of the Company.

MARKET FOR OUR SHARES

Until January 3, 2005, our common stock was quoted on the OTC Bulletin Board under the symbol ZWLL.OB. On January 3, 2005, in connection with our name change and 1-800 reverse stock split, our symbol changed to BHWF.OB. These quotations reflect inter-dealer prices, without mark-up, mark-down or commission, and may not represent actual transactions.

BID PRICES

2007 FISCAL YEAR	HIGH	LOW
Thru April 2, 2007	\$0.0190	\$0.0130
2006 FISCAL YEAR	HIGH	LOW
First Quarter	\$0.0800	\$0.0400
Second Quarter	\$0.0400	\$0.0200
Third Quarter	\$0.0200	\$0.0140
Fourth Quarter	\$0.0140	\$0.0080
2005 FISCAL YEAR	HIGH	LOW
First Quarter	\$0.1500	\$0.0003
Second Quarter	\$0.0002	\$0.0002
Third Quarter	\$0.0002	\$0.0002
Fourth Quarter	\$0.0002	\$0.0006

HOLDERS OF COMMON STOCK

As of March 7, 2007, we had 166,996,792 shares of our common stock outstanding. Our common stock is held by approximately 35 stockholders of record.

DIVIDEND POLICY

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any earnings for funding growth, however, these plans may change depending upon capital raising requirements.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

FORWARD-LOOKING STATEMENTS

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 the Form 10-KSB 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 7 of Part II of the Form 10-KSB for the fiscal year December 31, 2006.

MANAGEMENT S PLAN OF OPERATIONS

The BlackHawk Fund is a principally owned company that is operated by its managing partner, Palomar Enterprises, Inc. (PLMA.OB). The BlackHawk Fund operates as a business development company with the specific interest in Media and Television Production, as well as real estate (both residential and commercial) development projects.

The management of The Blackhawk Fund plans to aggressively market the real estate properties held, that have been renovated and ready for sale. The Company plans to generate the highest return on their investment, by selling these properties at substantial profits. The Management believes we will sell all three properties held between the first and second quarter of 2007.

Management plans to expand the Media Division significantly, by developing and airing the cable television productions, produced by Maximum Impact Television Group. The Blackhawk Fund plans to begin receiving revenue in the first quarter from these media properties, which is generated by sponsors paying for air time and commercial productions. The company plans to have all ten cable television shows airing in 2007. The Media Division will generate additional revenue by converting the content from the cable television shows to Online Video Magazines and DVDs, which provide additional advertising vehicles for our sponsors to reach their target audience.

The company has identified the following benchmarks for the next 12-24 months:

- a. Raise enough capital to expand our core real property redevelopment projects
- b. Raise additional capital to strengthen and expand our media properties, with a look to bring our advertiser partners a substantial return on their media investments
- c. Maintain good corporate relationships with all of our advertising partners and the vendors that assist us in the redevelopment projects.

RESULTS OF OPERATIONS

TWELVE MONTHS ENDED DECEMBER 31, 2006 COMPARED TO THE TWELVE MONTHS ENDED DECEMBER 31, 2005.

REVENUE

Revenue for the 12 months ended December 31, 2006 was \$149,451 compared to \$23,751 for the 12 months ended December 31, 2005. Revenue reflected the start of the acquisition of and sale of residential property. Cost of Sales was 140,000 in 2006 compared to 0 in 2005.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses (G&A) were \$472,780 for the 12 months ended December 31, 2006, compared to \$4,803,251 for the 12 months ended December 31, 2005, a decrease of \$4,324,471. The decrease in G&A is due primarily to stock issued for services.

We expect G&A expenses to increase substantially in the coming 12 months due to the increase in sales activities within our business units. We intend to focus on operating efficiencies, increasing revenues, and ensuring profitability in our core business units during this period.

LIQUIDITY AND CAPITAL RESOURCES

During the twelve-month period ended December 31, 2006, cash used in operating activities was 499,722. We intend to continue to find ways to expand our business through new product development. We believe that revenues and earnings will increase as we grow. We anticipate that we will incur smaller losses in the near future if we are able to expand our business and the marketing of our products and services now under development. The losses will be created to the extent of the excess of technology development and marketing expenses over the income from operations. Our operating losses as shown may be perceived as alarming and possibly indicate a downward spiral leading to the demise of the company; however, from management s point of view, there is a bright side to the operating losses which are tapering off. We feel now by adopting our new media business we will be profitable in 2007.

During the 12 months ended December 31, 2006, we generated a net loss of \$564,065. Cash provided by financing activities was \$695,361.

In order to execute our business plan, we will need to acquire additional capital from debt or equity financing. In the absence of significant revenue and profits, we will be completely dependent on additional debt and equity financing arrangements. There is no assurance that any financing will be sufficient to fund our capital expenditures, working capital and other cash requirements for the fiscal year ending December 31, 2007. No assurance can be given that any

such additional funding will be available or that, if available, can be obtained on terms favorable to us. If we are unable to raise needed funds on

acceptable terms, we will not be able to execute our business plan, develop or enhance existing services, take advantage of future opportunities or respond to competitive pressures or unanticipated requirements. A material shortage of capital will require us to take drastic steps such as further reducing our level of operations, disposing of selected assets or seeking an acquisition partner.

CRITICAL ACCOUNTING POLICIES

The preparation of our consolidated 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. While there are a number of significant accounting policies affecting our consolidated financial statements, we believe the following critical accounting policy involve the most complex, difficult and subjective estimates and judgments.

STOCK-BASED COMPENSATION

In December 2002, the FASB issued SFAS No. 148 - Accounting for Stock-Based Compensation - Transition and Disclosure. This statement amends SFAS No. 123 - Accounting for Stock-Based Compensation, providing alternative methods of voluntarily transitioning to the fair market value based method of accounting for stock based employee compensation. SFAS 148 also requires disclosure of the method used to account for stock-based employee compensation and the effect of the method in both the annual and interim financial statements. The provisions of this statement related to transition methods are effective for fiscal years ending after December 15, 2002, while provisions related to disclosure requirements are effective in financial reports for interim periods beginning after December 31, 2002.

We adopted SFAS No. 123 effective January 1, 2006.

RECENT ACCOUNTING PRONOUNCEMENTS

We adopted SFAS No. 142. Under the new rules, we will no longer amortize goodwill and other intangible assets with indefinite lives, but such assets will be subject to periodic testing for impairment. On an annual basis, and when there is reason to suspect that their values have been diminished or impaired, these assets must be tested for impairment, and write-downs to be included in results from operations may be necessary. SFAS No. 142 also requires us to complete a transitional goodwill impairment test six months from the date of adoption.

Any goodwill impairment loss recognized as a result of the transitional goodwill impairment test will be recorded as a cumulative effect of a change in accounting principle no later than the end of fiscal year 2002. The adoption of SFAS No. 142 had no material impact on our consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements.

BUSINESS

Corporate History

We were incorporated in November 1998 in the state of Nevada as USA Telcom and subsequently changed our name in 2000 to USA Telcom Internationale. In 2004, we changed our name to ZannWell, Inc., and in 2005, we changed our name to Blackhawk Fund. We did not have any significant operating activities as of December 31, 2006.

Change of Control

On March 19, 2004, we issued 13,000,000 shares of common stock to Robert C. Simpson, Ph.D. for a purchase price of \$260,000.00 which constituted approximately 75 percent of our issued and outstanding shares of common stock. Before the purchase by Dr. Simpson, Allen Jones was our controlling stockholder. Following the purchase of our shares by Dr. Simpson, he and George Peterman were appointed to our board of directors. Dr. Simpson was also elected as our president, chief financial officer and secretary.

On May 26, 2004, Mr. Peterman resigned as our director. On July 14, 2004, Dr. Simpson resigned as our president and became chairman of our board of directors. At that time, we elected Luther E. Lindner, M.D., Ph.D. as president and chief executive officer. We and Dr. Lindner have since mutually agreed that Dr. Lindner would resign as our president and chief executive officer in order to allow Dr. Lindner to accept a position as president and chief executive officer of Cryptobe, Inc., an affiliated privately-held company.

We retained AMVI, a company controlled by Mr. Jones, as a consultant. Under the terms of the consulting agreement, AMVI received a total of \$141,516 from March 19, 2004 through October 1, 2004, payable in four installments. In addition, we sold certain assets to AMVI for \$10,300, which consisted of 5,000 shares of common stock of an unrelated corporation, certain computer equipment and a note receivable in the principal amount of \$300,000. All monies were put into a trust managed by counsel and paid on schedule.

After Dr. Simpson initially acquired our shares, we intended to acquire Blue Kiwi, Inc., a company in which Dr. Simpson has an equity interest. However, we decided that we would not acquire Blue Kiwi, Inc. Instead, we entered into a strategic alliance with Blue Kiwi based on the synergies as seen by Dr. Simpson.

On July 21, 2004, we filed certificates of designation establishing our Series A, B and C preferred stock. 20 million shares have been designated as our Series A preferred stock, 10 million shares have been designated as our Series B preferred stock, and 20 million shares have been designated as our Series C preferred stock.

Each share of our Series A preferred stock is convertible into 10 shares of our common stock. Each share of the Series B preferred stock is convertible into 200 shares of our common stock. The shares of our Series C preferred stock are not convertible into shares of our common stock.

The holders of shares of our Series A preferred stock do not have voting rights on any matters submitted to a vote of our stockholders. On all matters submitted to a vote of our stockholders, each holder of shares of our Series B preferred stock is entitled to one vote per share of the Series B preferred stock held by such holder. On all matters submitted to a vote of our stockholders, each holder of shares of our Series C preferred stock is entitled to 100 votes per share of the Series C preferred stock held by such holder.

Effective November 29, 2004, we filed a certificate of correction to our certificate of designation establishing our Series B preferred stock. Our certificate of designation for the Series B preferred stock, as originally filed on June 21, 2004, incorrectly stated that the shares of the Series B preferred stock were not convertible into the shares of our common stock. The certificate of correction, filed on November 29, 2004, corrected the error by stating that each share of the Series B preferred stock is convertible into 200 shares of our common stock.

On October 12, 2004, R. Patrick Liska was elected a director and appointed our president, secretary, treasurer, chairman of the board and chief executive officer.

On November 23, 2004, R. Patrick Liska was removed as our director, secretary, treasurer, president, chairman of the board and chief executive officer. The removal of R. Patrick Liska as our director and officer resulted from philosophical differences between our former management and Mr. Liska regarding business operations, policies and practices. The effective date of the removal was November 23, 2004.

Effective November 23, 2004, Robert C. Simpson was elected our sole director, president, chairman of the board and chief executive officer.

On November 29, 2004, a change in control occurred as the result of the acquisition of our series A, series B and series C preferred stock by Palomar Enterprises, Inc., a Nevada corporation (Palomar).

Pursuant to that certain capital Stock Purchase Agreement dated November 9, 2004, between Robert C. Simpson, our then-sole director and officer and Palomar, on November 29, 2004, Palomar acquired from Dr. Simpson 19,000,000 shares of our series A preferred stock, 10,000,000 shares of our series B preferred stock and 10,000,000 shares of our Series C preferred stock. Each share of the series A preferred stock is convertible into ten shares of our common stock. The shares of the series A preferred stock do not have voting rights. Each share of the series B preferred stock is convertible into two hundred shares of our common stock. On all matters submitted to a vote of the holders of the Common Stock, a holder of the Series B Preferred Stock is entitled to one vote per share of the Series B Preferred Stock held by such holder. The series C preferred stock is not convertible into our common shares. Each share of the series C preferred stock entitles the holder to 100 votes of our common stock on all matters brought before our stockholders.

All of the preferred shares acquired by Palomar carried a legend restricting the transfer thereof under the Securities Act of 1933, as amended. Palomar used \$380,000 of its working capital as consideration for the preferred shares purchased by it pursuant to the Capital Stock Purchase Agreement.

Concurrently with the stock purchase transaction, Robert C. Simpson, our then-sole director and officer, nominated Steve Bonenberger and Brent Fouch as directors. Steve Bonenberger was also elected president and chief executive officer and Brent Fouch was elected Secretary and chief financial officer. Following the election of Messrs. Bonenberger and Fouch as our officers and directors, Robert C. Simpson resigned his positions as our director and officer.

Corporate Overview

The BlackHawk Fund is a principally owned company that is operated by its managing partner, Palomar Enterprises, Inc. (PLMA.OB). The BlackHawk Fund operates as a business development company with the specific interest in Media and Television Production, as well as real estate (both residential and commercial) development projects.

We have the following business model in place and operating: The Company takes a lead role in managing and implementing proprietary media properties that are 100% owned, operated and managed by The Blackhawk Fund. These Media Properties are network quality cable television shows that air nationwide. This media content is converted into Online Video magazines and DVDs, which provide advertising opportunities to selected sponsors. We also re-develop residential and commercial properties to be sold at higher prices. Our purpose is to gain a higher valuation for the equity positions that are held by The BlackHawk Fund in both our redeveloped real properties and also in our media properties that are expanding their advertiser and viewer bases.

In 2006, The BlackHawk Fund was able to establish firm footings in its two core business sectors. The company looks for 2007 to be the largest year in its existence in terms of revenue produced, potential profits retained and shareholder equity increased.

Corporate Offices

Our executive office is located at 1802 N. Carson Street, Suite 212, Carson City, Nevada, 89701. Our telephone number is (775) 887-0670.

Employees

We have two full-time employees and two part-time employees as of February 15, 2007. As we grow, we will need to attract an unknown number of additional qualified employees. Although we have experienced no work stoppages and believe that our relationship with our employees are good, we could be unsuccessful in attracting and retained the persons needed for the successful and continued operations of the Company. None of our employees are currently represented by any labor union.

Legal Proceedings

We are not a party to any legal proceedings, nor are we aware of any contemplated or pending legal proceedings against us.

MANAGEMENT

The following table sets forth the name, age and position of each of the members of our board of directors, executive officers and promoters as of April 6, 2007:

Our Board of Directors consists of only one class. All of the directors will serve until the next annual meeting of stockholders and until their successors are elected and qualified, or until their earlier death, retirement, resignation or removal. There are no family relationships among directors and executive officers. We also have provided a brief description of the business experience of each director and executive officer during the past five years and an indication of directorships held by each director in other companies subject to the reporting requirements under the Federal securities laws.

NAME	AGE	POSITION
Steve Bonenberger	50	President, Director, and Chief Executive Officer
Brent Fouch	37	Secretary, Director and Chief Financial Officer

Our executive officers are elected annually by our Board of Directors.

Steve Bonenberger: During the past five years, Mr. Bonenberger was the managing director of B.M.M., LLC, a corporate consulting firm, and, for the last four years, he has been the President and Chief Executive Officer of Palomar Enterprises, Inc. Going forward, he intends to devote a significant portion of his time to the furtherance of our operations.

Brent Fouch: Mr. Fouch has served as our Chief Financial and Treasurer since November 2004. He was appointed as an officer of The BlackHawk fund at that time when the company was acquired by Palomar Enterprises. Mr. Fouch graduated from University of California, San Diego in 1992 and was a registered stock broker for 4 years, dealing in Series 7 and 63 transactions. From 1997 to 2003, he served as the President of Micro Capital Corporation where he rendered business and financial consulting services. At present, he also serves as Chief Financial Officer and Director of Palomar Enterprises, the parent company of The BlackHawk Fund.

CODE OF ETHICS

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The code of ethics is designed to deter wrongdoing and to promote:

§ Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

§ Full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submits to, the SEC and in other public communications made by us;

§ Compliance with applicable governmental laws, rules and regulations;

§ The prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and

§ Accountability for adherence to the code.

A copy of our code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions is filed as an exhibit to our Form 10-KSB for the fiscal year end December 31, 2006. We have posted a copy of the code of ethics on our website.

We will provide to any person without charge, upon request, a copy of our code of ethics. Any such request should be directed to our corporate secretary at 1802 N. Carson Street, Suite 212, Carson City, Nevada, 89701.

AUDIT COMMITTEE

The entire board of directors acts as our audit committee. We do not have an audit committee financial expert serving on our audit committee at this time. We propose to expand our board of directors in the near future to include a financial expert.

EXECUTIVE COMPENSATION

The following table provides certain summary information concerning the compensation earned by the named executive officers (determined as of the end of the last fiscal year) for services rendered in all capacities to the The BlackHawk Fund and our subsidiaries:

SUMMARY COMPENSATION TABLE

Name	Year	Annual Compensation			Long Terms Compensation			
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards	Securities	Payouts	All Other
					Restricted Stock Award(s) (\$)	Underlying Options/Sars (#)	LTIP Payouts (\$)	Compensation (\$)
Steve Bonenberger	2006	\$0	\$0	\$0	\$0	0	\$0	\$0
	2005	0	0	0	0	0	0	0
Brent Fouch	2006	\$0	\$0	\$0	\$0	0	\$0	\$0
	2005	0	0	0	0	0	0	0

EMPLOYMENT AGREEMENTS

There are no employment agreements with either of our officers or directors at this time. However, we do intend to enter into employment agreements with each of Mr. Steve Bonenberger and Mr. Brent Fouch in the near future. We will promptly report our entry into such employment agreements by making appropriate filings with the Commission. We also plan to enter into consulting agreements with various consulting entities owned by our officers and directors. We will promptly report such entry into consulting agreements by making the appropriate filings with the Commission.

EQUITY COMPENSATION PLANS SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the end of the most recently completed fiscal year with respect to compensation plans (including individual compensation arrangements) under which equity securities of the registrant are authorized for issuance, aggregated as follows:

§	All compensation plans previously approved by security holders; and
§	All compensation plans not previously approved by security holders.

Plan Category	Number of Securities to Be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
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	(A)		(Excluding Securities Reflected in Column (A)) (C)
Equity compensation plans approved by security holders	0	n/a	n/a
Equity compensation plans not approved by security holders	207,500,000	0.001	n/a
TOTAL	207,500,000	\$0.001	0

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS
AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following table sets forth information regarding the beneficial ownership of the Company's Common Stock as of March 22, 2007 by (i) each person known by the Company to be the beneficial owner of more than five percent of its Common Stock; (ii) each director; and (iii) all directors and executive officers as a group. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to the securities. Shares of common stock that may be acquired by an individual or group within 60 days of March 22, 2007, pursuant to the exercise of options or warrants are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table. Percentage of ownership is based on 166,996,792 shares of common stock outstanding.

	Amount and Nature of Beneficial Ownership		Percent of Class ⁽²⁾	
	Number	Percent	Number	Percent
Steve Bonenberger	15,000,000	8.98%	0	0
Brent Fouch	15,000,000	8.98%	0	0
All directors and officers as a group (2 persons)	30,000,000	17.96%	0	0
Palomar Enterprises ⁽⁵⁾	0	0	78,330,033 ⁽²⁾	46.91 ⁽²⁾
			10,000,000 ⁽³⁾	100 ⁽³⁾
			10,000,000 ⁽⁴⁾	100 ⁽⁴⁾

(1) Unless otherwise indicated, the address for each of these stockholders is c/o The BlackHawk Fund, 1802 N. Carson St., Suite 212, Carson City, Nevada, 89701, telephone number (775) 887-0670. Also, unless otherwise indicated, each person named in the table above has the sole voting and investment power with respect to the shares of our common stock and preferred stock which he beneficially owns.

(2) Beneficial ownership is determined in accordance with the rules of the SEC. As of December 31, 2006, the total number of outstanding shares of common stock is 166,996,792, the total number of outstanding shares of the Series A preferred stock is 9,000,000, the total number of outstanding shares of the Series B preferred stock is 10,000,000 and the total number of outstanding shares of the Series C preferred stock is 10,000,000.

(3) Series B preferred stock

(4) Series C preferred stock

(5) Palomar Enterprises, Inc. a Nevada publicly traded corporation, is controlled by Steve Bonenberger and Brent Fouch, our officers and directors, Palomar Enterprises, Inc. holds 10,000,000 shares of our Series B preferred stock and 10,000,000 shares of our Series C preferred stock, equivalent to the voting power of 2,090,000,000 shares of our common stock as of December 31, 2006. On March 7, 2007, Palomar Enterprises converted approximately 9,000,000 shares of Series A preferred stock into 90,000,000 shares of our common stock.

There are no relationships known to us including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of the The BlackHawk Fund.

There are no arrangements or understandings among members of both the former and the new control groups and their associates with respect to election of directors or other matters.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the year ended 2006, we paid \$90,000.00 in consulting fees to BMM, LLC, a Limited Liability Company owned and controlled by Steve Bonenberger, our officer and director. We also paid \$90,000.00 in consulting fees to Prize Entertainment, Inc., a corporation owned and controlled by Brent Fouch, our officer and director. These fees were paid to the officer s respective company for management services rendered in 2006.

On March 22, 2007, Palomar Enterprises converted approximately 9,000,000 shares of Series A preferred stock into 90,000,000 shares of our common stock. Messrs. Fouch and Bonenberger, our Chief Executive Officer and Chief Financial Officer, respectively, are executive officers and directors of Palomar Enterprises.

DESCRIPTION OF SECURITIES

The Company's authorized capital stock consists of 4,000,000,000 shares of common stock, par value of \$0.001 per share, of which 166,996,792 issued and outstanding as of March 7, 2007 and 0 shares of Class A Preferred Stock, \$0.001 par value per share, authorized with 20,000,000 shares issued or outstanding, 10,000,000 Class B Preferred Stock, \$0.001 par value per share, with 10,000,000 issued and outstanding, and 10,000,000 Class C Preferred Stock, \$0.001 par value per share, with 10,000,000 issued and outstanding. The holders of shares of our common stock are entitled to elect all of the directors and to one vote per share on all matters submitted to shareholder vote. Holders of our common stock are entitled to receive ratably dividends, subject to the rights of the holders of Preferred Stock, as may be declared by our Board of Directors out of funds legally available therefore. In 2006, Palomar Enterprises converted approximately 9,000,000 shares of Series A preferred stock into 90,000,000 shares of our common stock.

Our board of directors has the discretion and may, by adoption of a resolution, designate one or more series of preferred stock and has the power to determine the conversion and/or redemption rights, preferences and privileges of each such series of preferred stock provided that such conversion and/or redemption rights, preferences and privileges of any series of preferred stock does not subordinate or otherwise limit the conversion and/or redemption rights, preferences and/or privileges of any previously issued series of preferred stock.

The Series A Preferred Stock are convertible at the rate of 10 to 1 while the Series B Preferred Stock is convertible at the rate of 200 to 1. The Series C Preferred Stock is not convertible to Common Stock.

Holders of Series A, Series B and Series C Preferred Stock are entitled to receive cash, stock and other property as dividends when the same is declared by the Board of Directors of The BlackHawk Fund. The Company has also reserved the right to redeem, at the option of its Board of Directors, all or part of the outstanding Series A, Series B and/or Series C Preferred Stock. However, such right to redeem is subject to applicable Nevada Law and such redemption shall be exercised on a pro rata with respect to all of the holders of the Series A, B, and C Preferred Stock.

Upon dissolution, liquidation or winding up of The BlackHawk Fund, whether voluntary or involuntary, holders of Series A, B, and C Preferred Stock are likewise granted the right to receive, out of the assets of the Company, the amount of \$0.001 per share before any payment or distribution shall be made on the Common Stock, or any other class of capital stock of the Company ranking junior to the Series A, B, and C Preferred Stock.

TRANSFER AGENT

The transfer agent and registrar for the Company's Common Stock is US Stock Transfer.

SHARES ELIGIBLE FOR RESALE

Future sales of a substantial number of shares of our common stock in the public market could adversely affect market prices prevailing from time to time. Under the terms of this offering, the shares of common stock offered may be resold without restriction or further registration under the Securities Act of 1933, except that any shares purchased by our affiliates, as that term is defined under the Securities Act of 1933, may generally only be sold in compliance with Rule 144 under the Securities Act of 1933.

SALE OF RESTRICTED SHARES: Certain shares of our outstanding common stock were issued and sold by us in private transactions in reliance upon exemptions from registration under the Securities Act of 1933 and have not been registered for resale. Additional shares may be issued pursuant to outstanding warrants and options. There are 27,083,976 shares of our common stock that are not restricted by Rule 144 because they are in the public float. Resales of the remainder of our issued and outstanding shares of common stock are restricted under Rule 144. There are 3,125,031 shares of our common stock that are restricted, including shares subject to outstanding warrants to purchase, or notes convertible into, common stock (excluding any conversions of notes to date). Such shares may be sold only pursuant to an effective registration statement filed by us or an applicable exemption, including the exemption contained in Rule 144 promulgated under the Securities Act of 1933.

In general, under Rule 144 as currently in effect, a shareholder, including one of our affiliates, may sell shares of common stock after at least one year has elapsed since such shares were acquired from us or our affiliate. The number of shares of common stock which may be sold within any three-month period is limited to the greater of: (i) one percent of our then outstanding common stock, or (ii) the average weekly trading volume in our common stock during the four calendar weeks preceding the date on which notice of such sale was filed under Rule 144. Certain other requirements of Rule 144 concerning availability of public information, manner of sale and notice of sale must also be satisfied. In addition, a shareholder who is not our affiliate, who has not been our affiliate for 90 days prior to the sale, and who has beneficially owned shares acquired from us or our affiliate for over two years may resell the shares of common stock without compliance with many of the foregoing requirements under Rule 144.

SELLING SECURITYHOLDER

We agreed to register for resale shares of common stock by the selling securityholder listed below. The selling securityholder may from time to time offer and sell any or all of their shares that are registered under this prospectus. The selling securityholder, and any participating broker-dealers are underwriters within the meaning of the Securities Act of 1933, as amended. All expenses incurred with respect to the registration of the common stock will be borne by us, but we will not be obligated to pay any underwriting fees, discounts, commissions or other expenses incurred by the selling securityholder in connection with the sale of such shares.

The following table sets forth information with respect to the maximum number of shares of common stock beneficially owned by the selling securityholder named below and as adjusted to give effect to the sale of the shares offered hereby. The shares beneficially owned have been determined in accordance with rules promulgated by the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. The information in the table below is current as of the date of this prospectus. All information contained in the table below is based upon information provided to us by the selling securityholder and we have not independently verified this information. The selling securityholder are not making any representation that any shares covered by the prospectus will be offered for sale. The selling securityholder may from time to time offer and sell pursuant to this prospectus any or all of the common stock being registered.

Except as indicated below, none of the selling securityholders has held any position or office with us, nor are any of the selling securityholder associates or affiliates of any of our officers or directors. Except as indicated below, no selling stockholder is the beneficial owner of any additional shares of common stock or other equity securities issued by us or any securities convertible into, or exercisable or exchangeable for, our equity securities. No selling stockholder is a registered broker-dealer or an affiliate of a broker-dealer.

For purposes of this table, beneficial ownership is determined in accordance with SEC rules, and includes voting power and investment power with respect to shares and shares owned pursuant to warrants exercisable within 60 days. The Number of Shares Beneficially Owned After the Offering column assumes the sale of all shares offered.

As explained below under Plan of Distribution, we have agreed with the selling securityholder to bear certain expenses (other than broker discounts and commissions, if any) in connection with the registration statement, which includes this prospectus.

Name	Number of Shares Beneficially Owned Prior to Offering ⁽¹⁾	Number of Shares Offered	Number of Shares Beneficially Owned After the Offering
Dutchess Private Equities Fund, Ltd. ⁽²⁾	55,000,000	55,000,000	0

(1) The actual number of shares of common stock offered in this prospectus, and included in the registration statement of which this prospectus is a part, includes such additional number of shares of common stock as may be issued or issuable upon draws under the Dutchess Equity Line.

(2) Michael Novielli and Douglas Leighton are the directors of Dutchess Capital Management, LLC, which is the general partner to Dutchess Private Equities Fund, Ltd.

TRANSACTION WITH DUTCHESS PRIVATE EQUITIES FUND, LP

On September 18, 2006, we entered into an Investment Agreement (the Agreement) with Dutchess Private Equities Fund, Ltd. (Dutchess) to provide us with an equity line of credit. Pursuant to this

Agreement, Dutchess shall commit to purchase up to \$10,000,000 of the Company's Stock over the course of thirty-six (36) months (Line Period), after a registration statement has been declared effective (Effective Date). The amount that the Company shall be entitled to request from each of the purchase Puts , shall be equal to either 1) \$250,000 or 2) 200% of the averaged daily volume (U.S market only) (ADV), multiplied by the average of the three (3) daily closing prices immediately preceding the Put Date. The ADV shall be computed using the ten (10) trading days prior to the Put Date. The Purchase Price for the common stock identified in the Put Notice shall be set at ninety-three percent (93%) of the lowest closing bid price of the common stock during the Pricing Period. The Pricing Period is equal to the period beginning on the Put Notice Date and ending on and including the date that is five (5) trading days after such Put Notice Date. There are put restrictions applied on days between the Put Date and the Closing Date with respect to that Put. During this time, the Company shall not be entitled to deliver another Put Notice.

The Company shall automatically withdraw that portion of the put notice amount, if the Market Price with respect to that Put does not meet the Minimum Acceptable Price. The Minimum Acceptable Price is defined as seventy-five percent (75%) of the closing bid price of the common stock for the ten (10) trading days prior to the Put Date.

In connection with the Agreement, we entered into a Registration Rights Agreement with Dutchess (Registration Agreement). Pursuant to the Registration Agreement, we are obligated to file a registration statement with the Securities and Exchange Commission covering the shares of common stock underlying the Investment Agreement within twenty-one (21) days after the closing date. In addition, we are obligated to use all commercially reasonable efforts to have the registration statement declared effective by the SEC within Ninety (90) days after the Execution Date.

PLAN OF DISTRIBUTION

The selling securityholder and any of its respective pledges, donees, assignees and other successors-in-interest may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling securityholder may use any one or more of the following methods when selling shares:

§ ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

§ block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;

§ purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

§ an exchange distribution in accordance with the rules of the applicable exchange;

§ privately negotiated transactions;

§ short sales after this registration statement becomes effective;

§ broker-dealers may agree with the selling securityholder to sell a specified number of such shares at a stipulated price per share;

§ through the writing of options on the shares;

§ a combination of any such methods of sale; and

§ any other method permitted pursuant to applicable law.

The selling securityholder may also engage in short sales against the box after this registration statement becomes effective, puts and calls and other transactions in our securities or derivatives of our securities and may sell or deliver shares in connection with these trades.

The selling securityholder or its respective pledgees, donees, transferees or other successors in interest, may also sell the shares directly to market makers acting as principals and/or broker-dealers acting as agents for themselves or their customers. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling securityholder and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal or both, which compensation as to a particular broker-dealer might be in excess of customary commissions. Market makers and block purchasers purchasing the shares will do so for their own account and at their own risk. It is possible that a selling stockholder will attempt to sell shares of common stock in block transactions to market makers or other purchasers at a price per share which may be below the then market price. The selling securityholder cannot assure that all or any of the shares offered in this prospectus will be issued to, or sold by, the selling securityholder. The selling securityholder and any brokers, dealers or agents, upon effecting the sale of any of the shares offered in this prospectus, are underwriters as that term is defined under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the rules and regulations under such acts. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

Discounts, concessions, commissions and similar selling expenses, if any, attributable to the sale of shares will be borne by a selling stockholder. The selling securityholder may agree to indemnify any agent, dealer or broker-dealer

that participates in transactions involving sales of the shares if liabilities are imposed on that person under the Securities Act of 1933.

The selling securityholder may from time to time pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgee or secured parties may offer and sell the shares of common stock from time to time under this prospectus after we have filed an amendment to this prospectus under Rule 424(b)(3) or any other applicable provision of the Securities Act of 1933 amending the list of selling securityholder to include the pledgee, transferee or other successors in interest as selling securityholder under this prospectus.

The selling securityholder also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus and may sell the shares of common stock from time to time under this prospectus after we have filed an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933 amending the list of selling securityholder to include the pledgee, transferee or other successors in interest as selling securityholder under this prospectus.

We are required to pay all fees and expenses incident to the registration of the shares of common stock. We have agreed to indemnify the selling securityholder against certain losses, claims, damages and liabilities, including liabilities under the Securities Act of 1933.

The selling securityholder acquired the securities offered hereby in the ordinary course of business and have advised us that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their shares of common stock, nor is there an underwriter or coordinating broker acting in connection with a proposed sale of shares of common stock by any selling stockholder. If we are notified by any selling stockholder