

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. David, age 40, is and has been a certified public accountant licensed to practice in the State of New York. He served as Chief Financial Officer of Take-Two Interactive Software, Inc. ("Take-Two") from July 2000 until December 2001, at which time he became head of the Credit and Collection department at Take-Two until his resignation in February 2002.

2. Take-Two was, at all relevant times, a Delaware corporation with its principal place of business in New York, New York. Take-Two develops, markets and publishes interactive entertainment software games for the personal computer as well as video game consoles. At all relevant times, Take-Two's common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act"), and is currently listed on NASDAQ under the symbol "TTWO." For its fiscal year ended October 31, 2003, Take-Two reported over \$1 billion in revenue.

3. On June 13, 2005, a final judgment was entered against David, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1 and 13b2-2 thereunder, and aiding and abetting violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder, in the civil action entitled Securities and Exchange Commission v. Take-Two Interactive Software, Inc., et al., Civil Action Number 05-civ-5443 (DLC), in the United States District Court for the Southern District of New York. David was also barred from serving as an officer or director of any public company for 10 years, and was ordered to pay \$641,620 in disgorgement of ill-gotten gains from his sales of stock while participating in the fraud, plus prejudgment interest thereon, and a \$200,000 civil money penalty.

4. The Commission's Complaint alleged, among other things, that David engaged in a fraudulent video game parking and accounting scheme during Take-Two's 2000 and 2001 fiscal years which resulted in Take-Two filing materially false and misleading

financial statements in the company's annual report on Form 10-K for the fiscal year ended October 31, 2000, and in the company's quarterly reports on Forms 10-Q for the quarters ended July 31, 2000, April 30, 2001, and July 31, 2001. The Complaint alleged that David engaged in a number of fraudulent accounting practices that materially increased Take-Two's annual and quarterly revenue and net income in a departure from generally accepted accounting principles ("GAAP"). These practices included, among other things: (1) recognizing revenue on fraudulent sales; (2) discussing with other officers the fraudulent sales and parking transactions during 2000 and 2001 – including the disguising of returns as purchases of new inventory as well as the impact of those transactions on Take-Two's reported financials; and (3) signing quarterly and annual reports with knowledge of the parking-related material misrepresentations contained therein. In addition, the Complaint alleged that David made materially misleading statements to Take-Two's independent auditors by signing management representation letters falsely certifying that no fraud existed at the Company.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent David's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. David is suspended from appearing or practicing before the Commission as an accountant.

B. After ten years from the date of this order, Respondent may request that the Commission consider his reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Respondent's work in his practice before the Commission will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or

2. an independent accountant. Such an application must satisfy the Commission that:

(a) Respondent, or the public accounting firm with which he is associated, is registered with the Public Company Accounting Oversight Board ("Board") in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

(b) Respondent, or the public accounting firm with which he is associated, has been inspected by the Board and that inspection did not identify any

criticisms of or potential defects in the respondent's or the firm's quality control system that would indicate that the respondent will not receive appropriate supervision;

(c) Respondent has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

(d) Respondent acknowledges his responsibility, as long as Respondent appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that his state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependant on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Jonathan G. Katz
Secretary