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GRAVITY Co., Ltd.
Form SC 13D/A
July 19, 2006

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 4)

Gravity Co., Ltd.

(Name of Issuer)

Common Stock, Par Value Won 500 Per Share

Shares of Common Stock in the form of American Depository Shares*

(Title of Class of Securities)

38911N107

(CUSIP Number)

Moon Capital Master Fund Ltd.
c/o Moon Capital Management LP
499 Park Avenue, 8th Floor
New York, NY 10022
Attention: Andrew L. Wright, Esq.
General Counsel
(212) 652-4567

with a copy to:
Chadbourn & Parke LLP
30 Rockefeller Plaza
New York, NY 10112
Attention: Sey-Hyo Lee, Esq.
(212) 408-5100

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

July 18, 2006

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [X]

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

* Each American Depository Share represents one-fourth of one share of common

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stock, par value Won 500 per share (the "Common Stock").

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1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

Moon Capital Master Fund Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]

(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

| | | |
|-----------|-----|-------------------|
| NUMBER OF | 7 | SOLE VOTING POWER |
| SHARES | -0- | |

| | | |
|--------------|-------------|---------------------|
| BENEFICIALLY | 8 | SHARED VOTING POWER |
| OWNED BY | 556,637.75* | |

| | | |
|-----------|-----|------------------------|
| EACH | 9 | SOLE DISPOSITIVE POWER |
| REPORTING | -0- | |

| | | |
|--------|-------------|--------------------------|
| PERSON | 10 | SHARED DISPOSITIVE POWER |
| WITH | 556,637.75* | |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

556,637.75*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.0% of outstanding shares of Common Stock

14 TYPE OF REPORTING PERSON

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CO

* Includes 105,971 shares of Common Stock and 1,802,667 American Depositary Shares ("ADSs") representing 450,666.75 shares of Common Stock.

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- 1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

Moon Capital Leveraged Master Fund Ltd.
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS

OO
- 5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands
- | | | |
|--------------|----------|--------------------------|
| NUMBER OF | 7 | SOLE VOTING POWER |
| SHARES | -0- | |
| BENEFICIALLY | 8 | SHARED VOTING POWER |
| OWNED BY | 7,762.5* | |
| EACH | 9 | SOLE DISPOSITIVE POWER |
| REPORTING | -0- | |
| PERSON | 10 | SHARED DISPOSITIVE POWER |
| WITH | 7,762.5* | |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

7,762.5*
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

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 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.1% of outstanding shares of Common Stock

14 TYPE OF REPORTING PERSON

CO

 * Represents 31,050 ADSs.

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1 NAMES OF REPORTING PERSONS
 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

Moon Capital Management LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
 ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER

SHARES -0-

BENEFICIALLY 8 SHARED VOTING POWER

OWNED BY 564,400.25*

EACH 9 SOLE DISPOSITIVE POWER

REPORTING -0-

PERSON 10 SHARED DISPOSITIVE POWER

WITH 564,400.25*

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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564,400.25*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.1% of outstanding shares of Common Stock

14 TYPE OF REPORTING PERSON

PN

* Includes 105,971 shares of Common Stock and 1,833,717 ADSs representing 458,429.25 shares of Common Stock.

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1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

JWM Capital LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF 7 SOLE VOTING POWER
SHARES -0-

BENEFICIALLY 8 SHARED VOTING POWER
OWNED BY 564,400.25*

EACH 9 SOLE DISPOSITIVE POWER
REPORTING -0-

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PERSON 10 SHARED DISPOSITIVE POWER

WITH 564,400.25*

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

564,400.25*

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.1% of outstanding shares of Common Stock

14 TYPE OF REPORTING PERSON

OO

* Includes 105,971 shares of Common Stock and 1,833,717 ADSs representing 458,429.25 shares of Common Stock.

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1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

John W. Moon

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]

(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF 7 SOLE VOTING POWER

SHARES -0-

BENEFICIALLY 8 SHARED VOTING POWER

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| | | |
|-----------|---|--------------------------|
| OWNED BY | 564,400.25* | |
| EACH | 9 | SOLE DISPOSITIVE POWER |
| REPORTING | -0- | |
| PERSON | 10 | SHARED DISPOSITIVE POWER |
| WITH | 564,400.25* | |
| ----- | | |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | |
| | 564,400.25* | |
| ----- | | |
| 12 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES | [] |
| ----- | | |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) | |
| | 8.1% of outstanding shares of Common Stock | |
| ----- | | |
| 14 | TYPE OF REPORTING PERSON | |
| | IN | |
| ----- | | |

* Includes 105,971 shares of Common Stock and 1,833,717 ADSs representing 458,429.25 shares of Common Stock.

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This Amendment No. 4 (this "Amendment No. 4") further amends and supplements the Schedule 13D dated March 28, 2006 filed by Moon Capital Master Fund Ltd., Moon Capital Management LP, JWM Capital LLC and Mr. John W. Moon (the "Schedule 13D") in connection with the American Depository Shares of Gravity Co., Ltd., as amended and supplemented by Amendment No. 1 to Schedule 13D dated May 4, 2006 ("Amendment No. 1"), Amendment No. 2 to Schedule 13D dated May 23, 2006 ("Amendment No. 2") and Amendment No. 3 to Schedule 13D dated June 1, 2006 ("Amendment No. 3") filed by Moon Capital Master Fund Ltd., Moon Capital Leveraged Fund Ltd., Moon Capital Management LP, JWM Capital LLC and Mr. John W. Moon (collectively, the "Reporting Persons") in connection with the American Depository Shares and shares of common stock of Gravity Co., Ltd. Capitalized terms used in this Amendment No. 4 and not otherwise defined herein have the meanings assigned to such terms in Amendment No. 1, Amendment No. 2, Amendment No. 3 and/or the Schedule 13D.

Item 2. Identity and Background.

The second paragraph of Item 2 is hereby amended and restated in its entirety as follows:

The Master Fund, the Leveraged Fund, the Investment Manager, the IMGP and Mr. Moon are hereinafter sometimes collectively referred to as the "Reporting Persons". Any disclosures made herein with respect to persons or entities other than the Reporting Persons are made on information and belief. By virtue of the communications among the Reporting Persons and representatives of

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Ramius Capital Group, LLC and certain of its affiliates (collectively the "Ramius Entities") and certain actions as to the matters more fully described in Item 4 and the Sharing Agreement, dated as of March 28, 2006, between the Reporting Persons and the Ramius Entities as to the sharing of certain information and expenses attached as an exhibit to the Schedule 13D, the Reporting Persons may be deemed to be a "group" with the Ramius Entities for purposes of the Securities Exchange Act of 1934, as amended (the "Act"). On the basis of information provided to the Reporting Persons by the Ramius Entities, the Reporting Persons believe that the Ramius Entities are the beneficial owners of an aggregate of 1,821,164 ADSs and 105,973 shares of Common Stock representing in the aggregate approximately 8.1% of the outstanding shares of Common Stock. The Reporting Persons expressly disclaim beneficial ownership of securities held by any person or entity other than the various accounts under the Reporting Persons' management and control. The securities reported herein as being beneficially owned by the Reporting Persons do not include any securities held by the Ramius Entities (including but not limited to accounts or entities under its control) or any other person or entity other than the various entities and accounts under the Reporting Persons' management and control.

Item 4. Purpose of Transaction.

Item 4 is hereby amended by adding the following at the end thereof:

As previously disclosed, on June 1, 2006, the Gravity Committee for the Fair Treatment of Minority Shareholders (the "Committee") filed a petition for an injunction with the Seoul Central District Court against Gravity to exercise its shareholder's rights under Korean law to inspect financial documents of Gravity, including with respect to certain related party

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transactions among Gravity, GungHo Online Entertainment ("GungHo"), SOFTBANK Corp. ("SOFTBANK") and certain affiliates of GungHo and SOFTBANK.

On July 19, 2006, the Committee announced that the Seoul Central District Court had granted the Committee's petition to inspect financial documents of Gravity. A copy of the press release of the Committee dated July 19, 2006 announcing the ruling is attached as Exhibit 5 hereto and incorporated herein by reference.

Item 5. Interest in Securities of the Issuer.

Section A of Item 5 is hereby amended and supplemented as follows:

A. As of the date hereof, the Reporting Persons have the following interests in the securities of Gravity:

(a) Moon Capital Master Fund Ltd.

(i) Amount beneficially owned: 556,637.75*

The percentages used herein and in the rest of this Schedule 13D are calculated based upon the 6,948,900 shares of Common Stock issued and outstanding as of the date hereof, including through ADSs.

(ii) Percent of class: 8.0% of outstanding shares of Common Stock

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- (iii) Number of shares as to which such person has:
 - (a) Sole power to vote or direct the vote: -0-
 - (b) Shared power to vote or direct the vote: 556,637.75*
 - (c) Sole power to dispose or direct the disposition: -0-
 - (d) Shared power to dispose or direct the disposition: 556,637.75*

(b) Moon Capital Leveraged Master Fund Ltd.

- (i) Amount beneficially owned 7,762.5**
- (ii) Percent of class: 0.1% of outstanding shares of Common Stock
- (iii) Number of shares as to which such person has:

* Includes 105,971 shares of Common Stock and 1,802,667 ADSs representing 450,666.75 shares of Common Stock.

** Represents 31,050 ADSs.

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- (a) Sole power to vote or direct the vote: -0-
- (b) Shared power to vote or direct the vote: 7,762.5**
- (c) Sole power to dispose or direct the disposition: -0-
- (d) Shared power to dispose or direct the disposition: 7,762.5**

(c) Moon Capital Management LP

- (i) Amount beneficially owned: 564,400.25***
- (ii) Percent of class: 8.1% of outstanding shares of Common Stock
- (iii) Number of shares as to which such person has:

- (a) Sole power to vote or direct the vote: -0-
- (b) Shared power to vote or direct the vote: 564,400.25***
- (c) Sole power to dispose or direct the disposition: -0-
- (d) Shared power to dispose or direct the disposition: 564,400.25***

(d) JWM Capital LLC

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- (i) Amount beneficially owned: 564,400.25***
- (ii) Percent of class: 8.1% of outstanding shares of Common Stock
- (iii) Number of shares as to which such person has:
 - (a) Sole power to vote or direct the vote: -0-
 - (b) Shared power to vote or direct the vote: 564,400.25***
 - (c) Sole power to dispose or direct the disposition: -0-
 - (d) Shared power to dispose or direct the disposition: 564,400.25***
- (e) Mr. John W. Moon
 - (i) Amount beneficially owned: 564,400.25***

** Represents 31,050 ADSs.

*** Includes 105,971 shares of Common Stock and 1,833,717 ADSs representing 458,429.25 shares of Common Stock.

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- (ii) Percent of class: 8.1% of Outstanding shares of Common Stock
- (iii) Number of shares as to which such person has:
 - (a) Sole power to vote or direct the vote: -0-
 - (b) Shared power to vote or direct the vote: 549,296***
 - (c) Sole power to dispose or direct the disposition: -0-
 - (d) Shared power to dispose or direct the disposition: 549,296***

Section C of Item 5 is hereby supplemented as follows:

On June 5, 2006 the Master Fund purchased 2,170 ADSs on the open market at a price of \$7.86 per share.

On June 6, 2006 the Master Fund purchased 14,400 ADSs on the open market at a price of \$7.70 per share.

On June 7, 2006 the Master Fund purchased 9,900 ADSs on the open market at a price of \$7.41 per share.

On June 15, 2006 the Master Fund purchased 5,000 ADSs on the open market at a price of \$7.01 per share.

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On June 20, 2006 the Master Fund purchased 704 ADSs on the open market at a price of \$6.96 per share.

On July 5, 2006 the Master Fund purchased 4,400 ADSs on the open market at a price of \$6.98 per share.

On July 7, 2006 the Master Fund purchased 2,900 ADSs on the open market at a price of \$6.95 per share.

On July 10, 2006 the Master Fund purchased 2,600 ADSs on the open market at a price of \$6.97 per share.

On July 11, 2006 the Master Fund purchased 5,000 ADSs on the open market at a price of \$6.96 per share.

On July 12, 2006 the Master Fund purchased 6,500 ADSs on the open market at a price of \$6.91 per share.

*** Includes 105,971 shares of Common Stock and 1,833,717 ADSs representing 458,429.25 shares of Common Stock.

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On July 13, 2006 the Master Fund purchased 5,000 ADSs on the open market at a price of \$6.90 per share.

On July 14, 2006 the Master Fund purchased 40 ADSs on the open market at a price of \$6.57 per share.

On June 5, 2006 the Leveraged Fund purchased 30 ADSs on the open market at price of \$7.86 per share.

On June 6, 2006 the Leveraged Fund purchased 100 ADSs on the open market at a price of \$7.70 per share.

On June 7, 2006 the Leveraged Fund purchased 100 ADSs on the open market at a price of \$7.41 per share.

On July 12, 2006 the Leveraged Fund purchased 1,573 ADSs on the open market at a price of \$6.95 per share.

Item 7. Material to be Filed as Exhibits.

Exhibit 1. Joint Filing Agreement Pursuant to Rule 13d-1(k) is incorporated by reference to Exhibit 1 to Amendment No. 2 to Schedule 13D.

Exhibit 2. Sharing Agreement dated as of March 28, 2006 between the Reporting Persons and the Ramius Entities is incorporated by reference to Exhibit 2 to Schedule 13D.

Exhibit 3. Press Release dated May 24, 2006 is incorporated by reference to Exhibit 3 to Amendment No. 2 to Schedule 13D.

Exhibit 4. Press Release dated June 1, 2006 is incorporated by reference to Exhibit 4 to Amendment No. 3 to Schedule 13D.

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Exhibit 5. Press Release dated July 19, 2006.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I hereby certify that the information set forth in this statement is true, complete and correct.

Dated: July 18, 2006

/s/ John W. Moon

John W. Moon,
individually and as managing member of
JWM Capital LLC,
for itself and as the general partner of
Moon Capital Management LP,
for itself and as the investment manager of
Moon Capital Master Fund Ltd. and
Moon Capital Leveraged Master Fund Ltd.