

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

In the Matter of)	
)	FILE NO. 052 3158
TAKE-TWO INTERACTIVE SOFTWARE, INC.,)	
and)	
ROCKSTAR GAMES, INC.,)	
corporations.)	AGREEMENT CONTAINING CONSENT ORDER

The Federal Trade Commission has conducted an investigation of certain acts and practices of Take-Two Interactive Software, Inc., a corporation, and Rockstar Games, Inc., a corporation (“proposed respondents”). Proposed respondents, having been represented by counsel, are willing to enter into an agreement containing a consent order resolving the allegations contained in the attached draft complaint. Therefore,

IT IS HEREBY AGREED by and between Take-Two Interactive Software, Inc. and Rockstar Games, Inc., by their duly authorized officers, and counsel for the Federal Trade Commission, that:

1. Proposed respondent Take-Two Interactive Software, Inc. is a Delaware corporation with its principal office or place of business at 622 Broadway, New York, New York 10012.
2. Proposed respondent Rockstar Games, Inc. is a wholly owned subsidiary of Take-Two, with its principal office or place of business at 622 Broadway, New York, New York 10012.
3. Proposed respondents admit all the jurisdictional facts set forth in the draft complaint.
4. Proposed respondents waive:
 - a. Any further procedural steps;
 - b. The requirement that the Commission’s decision contain a statement of findings of fact and conclusions of law; and
 - c. All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement.
5. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission, it, together with the draft complaint, will be placed on the public record for a period of thirty (30)

days and information about it publicly released. The Commission thereafter may either withdraw its acceptance of this agreement (in which case this agreement will be null and void) and so notify proposed respondents, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision in disposition of the proceeding.

6. This agreement resolves all matters now under investigation or inquiry by the Commission that arose prior to the date of signing this agreement with respect to any allegation that respondents may have engaged in deceptive or unfair advertising or marketing prohibited by the Federal Trade Commission Act.

7. This agreement is for settlement purposes only and does not constitute an admission by proposed respondents that the law has been violated as alleged in the draft complaint, or that any of the facts as alleged in the draft complaint, other than the jurisdictional facts, are true.

8. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 2.34 of the Commission's Rules, the Commission may, without further notice to proposed respondents, (1) issue its complaint corresponding in form and substance with the attached draft complaint and its decision containing the following order in disposition of the proceeding, and (2) make information about it public. When so entered, the order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery of the complaint and the decision and order to proposed respondents' respective addresses as stated in this agreement by any means specified in Section 4.4(a) of the Commission's Rules shall constitute service. Proposed respondents waive any right they may have to any other manner of service. The complaint may be used in construing the terms of the order. No agreement, understanding, representation, or interpretation not contained in the order or in the agreement may be used to vary or contradict the terms of the order.

9. Proposed respondents have read the draft complaint and consent order. They understand that they may be liable for civil penalties in the amount provided by law and other appropriate relief for each violation of the order after it becomes final.

ORDER

DEFINITIONS

For purposes of this order, the following definitions shall apply:

1. "Commerce" means as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44;
2. "FTC" or "Commission" means the Federal Trade Commission.
3. "Respondents" means Take-Two Interactive Software, Inc., its successors and assigns,

and its officers, agents, representatives, and employees, and Rockstar Games, Inc., its successors and assigns, and its officers, agents, representatives, and employees.

4. The terms “Interactive electronic game,” “electronic game,” or “game” means any creative product consisting of data, programs, routines, instructions, applications, symbolic languages, or similar electronic information (collectively, “software”) that controls the operation of a computer and enables a user to interact with a computer-controlled virtual universe for entertainment purposes. The terms include electronic games distributed via a cartridge, disc, or other tangible information storage device, as well as such electronic games that are distributed electronically, such as through an online connection, electronic mail, or a wireless communication device. The terms do not include any electronic games whose software has been altered or modified by consumers or other third parties.
5. “Rating” or “rated” refers to a system, such as the system used by the Entertainment Software Rating Board, of classifying interactive electronic games based on criteria for age appropriateness, content, or both.
6. “Content descriptor” refers to a system used by the Entertainment Software Rating Board to designate words or short phrases that describe content (such as violence, blood and gore, strong sexual content) contained in an interactive electronic game.
7. “Content” refers to any software that is both: a) contained in an electronic game; and b) capable of rendering, depicting, displaying, or activating scenes, images, words, or sounds. Any such software constitutes content under this definition regardless of whether respondents have disabled it for game play or intend it to be accessed during game play.
8. “Rating authority” means the Entertainment Software Rating Board or any other game rating organization to which respondents submit a game to be sold in the United States.
9. “Content relevant to the rating” means content that likely would affect or change the rating or content descriptors for a game if that content were reviewed by a rating authority.
10. “Clearly and prominently” shall mean as follows:
 - A. In an advertisement communicated through an electronic medium (such as television, video, radio, and interactive media such as the Internet and online services), the disclosure shall be presented simultaneously in both the audio and visual portions of the advertisement. Provided, however, that in any advertisement presented solely through visual or audio means, the disclosure may be made through the same means in which the advertisement is presented. The audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The visual disclosure shall be of a size and shade, and shall appear on the screen for a duration, sufficient for an

ordinary consumer to read and comprehend it. In addition to the foregoing, in interactive media, the disclosure shall also be unavoidable and shall be presented prior to the consumer installing or downloading any software code, program, or content and prior to the consumer incurring any financial obligation.

- B. In a print advertisement, promotional material, or instructional manual, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears. In multipage documents, the disclosure shall appear on the cover or first page.

The disclosure shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement.

I.

IT IS ORDERED that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, advertising, promotion, offering for sale, sale, or distribution of *Grand Theft Auto: San Andreas* or any other interactive electronic game, in or affecting commerce, shall:

- A. disclose, clearly and prominently, on product packaging and in any promotion or advertisement for an electronic game, content relevant to the rating, unless that content has been disclosed sufficiently in prior submissions to the rating authority;
- B. not misrepresent, expressly or by implication, the rating or content descriptors for an electronic game; and
- C. establish and implement, and thereafter maintain, a comprehensive system reasonably designed to ensure that all content in an electronic game is considered and reviewed by respondents in preparing submissions to a rating authority.

Provided, however, nothing herein shall constitute a waiver of respondents' right to assert that any of their conduct is or was protected by the First Amendment to the United States Constitution or any analogous provision of a State constitution, except that respondents nonetheless acknowledge their obligations to comply with this order.

II.

IT IS FURTHER ORDERED that respondents, and their successors and assigns, shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and

copying all advertisements and promotional materials for each interactive electronic game developed or produced by respondents, including videotape or DVD recordings of any broadcast advertisement and an audiotape or CD of any radio advertisement.

III.

IT IS FURTHER ORDERED that respondents, and their successors and assigns, shall deliver a copy of this order to all current, and for ten (10) years to all future directors, officers who exercise policymaking functions, developmental studio heads, and to those personnel having supervisory responsibilities with respect to Parts I-V of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondents shall deliver this order to such current personnel within thirty (30) days after the date of service of this order, and to such future personnel within thirty (30) days after the person assumes such position or responsibilities.

IV.

IT IS FURTHER ORDERED that respondents, and their successors and assigns, shall notify the Commission at least thirty (30) days prior to any proposed change in their respective corporate structures that likely will affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondents learn less than thirty (30) days prior to the date such action is to take place, respondents shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by the Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, D.C. 20580.

V.

IT IS FURTHER ORDERED that respondents, and their successors and assigns, shall within sixty (60) days from the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

VI.

This order will terminate twenty (20) years from the date of its issuance, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any

violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- a. Any Part in this order that terminates in less than twenty (20) years;
- b. This order's application to any respondent that is not named as a defendant in such complaint; and
- c. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided further, that if such complaint is dismissed or a federal court rules that the respondents did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

Signed this 2nd day of June, 2006.

TAKE-TWO INTERACTIVE SOFTWARE, INC.

By: _____

PAUL EIBELER
President and CEO

ROCKSTAR GAMES, INC.

TERRENCE J. DONOVAN
Founder and Managing Director

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