

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 10-K/A

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended October 31, 1999

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

0-29230  
(Commission File No.)

TAKE-TWO INTERACTIVE SOFTWARE, INC.  
(Exact name of Issuer as specified in its charter)

Delaware	51-0350842
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

575 Broadway, New York, New York 10012  
(Address of principal executive offices including zip code)

Issuer's telephone number, including area code: (212) 334-6633

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$.01 par value

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

Check if there is no disclosure of delinquent filers pursuant to Item 405 of Regulation S-K contained herein, and no disclosure will be contained, to the best of the Issuer's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The Issuer's revenues for the fiscal year ended October 31, 1999 were \$305,931,858.

The aggregate market value of the Issuer's common stock held by non-affiliates as of January 10, 2000 was approximately \$322,052,000. As of January 10, 2000, there were 23,421,962 shares of the Issuer's common stock outstanding.

Documents Incorporated by Reference:

NONE

## PART III

## Item 10. Directors and Executive Officers of the Registrant.

Our directors and executive officers are:

Name	Age	Position
Ryan A. Brant	28	Chairman, Chief Executive Officer and Director
Barry S. Rutcofsky	42	President
Kelly Sumner	37	Vice President of International Operations and Director
Larry Muller	42	Chief Financial Officer
Anthony R. Williams	41	Co-Chairman and Director
Barbara A. Ras	36	Chief Accounting Officer and Secretary
Oliver R. Grace, Jr.	45	Director
Neil S. Hirsch	51	Director
Robert Flug	51	Director
Gary Dale	39	Director

Ryan A. Brant, our founder, has been Chief Executive Officer and a director since our inception. Mr. Brant received a B.S. degree in Economics from the University of Pennsylvania's Wharton School of Business.

Barry Rutcofsky has been our President since August 1999. Prior to joining us, Mr. Rutcofsky was a partner in the corporate department at the law firm of Tenzer Greenblatt LLP. He joined Tenzer Greenblatt LLP in April 1987. Mr. Rutcofsky received his law degree from Hofstra University in 1983.

Kelly Sumner has been a director since December 1997. Mr. Sumner has been President of Take-Two Interactive Software Europe Limited, our subsidiary, since July 1997 and our Vice President of International Operations since February 1999. Prior thereto, from April 1993 to July 1997, Mr. Sumner was President and

Chief Operating Officer of Gametek, Inc. From June 1979 to April 1993, Mr. Sumner was Managing Director of the UK subsidiary of Commodore Business Machines.

Larry Muller has been our Chief Financial Officer since January 1999 and Chief Financial Officer and Chief Operating Officer of Alliance Inventory Management, Inc. since December 1997. Mr. Muller co-founded Alliance Distributors in 1989 and served as its Chairman and Chief Financial Officer until we acquired Alliance Distributors in December 1997. Mr. Muller received a B.A. in Economics from Stonybrook University in 1979.

Anthony R. Williams has been a director since March 1998 and Co-Chairman since August 1999. Mr. Williams was our Chief Operating Officer from February 1998 to January 1999. Prior to joining us, Mr. Williams was employed in various positions at Acclaim Entertainment from April 1988 to February 1998, most recently as Executive Vice President, Mergers and Acquisitions. Mr. Williams also serves as a director of the Near East Foundation. Mr. Williams received a B.A. in Economics from Cambridge University.

Barbara A. Ras, CPA, has served as our Chief Accounting Officer since October 1998 and our Secretary since April 1997. From October 1994 to October 1998, Ms. Ras served as our Controller. Prior to joining us, Ms. Ras was employed as a tax accountant from September 1992 to September 1994, and as

an internal auditor with The New York Times Company from March 1988 to June 1991. Ms. Ras holds a B.S. degree in Accounting from St. John's University, and a Masters degree in Taxation from the State University of New York at Albany.

Oliver R. Grace, Jr. has been a director since April 1997. Mr. Grace, a private investor, has been the Chairman of the Board of Andersen Group, Inc., a dental products and video broadcasting equipment manufacturing company, since 1990. Mr. Grace has also been a director of Republic Automotive Parts, Inc., a distributor of replacement parts for the automotive aftermarket, since 1982. Mr. Grace is a general partner of Anglo American Security Fund, L.P., a private investment fund.

Neil S. Hirsch has been a director since May 1995. Mr. Hirsch has been the President and Chief Executive Officer of Loanet, Inc., a worldwide communications network managing securities lending transactions of banks and brokerage firms since March 1994. From 1969 to January 1990, Mr. Hirsch was Chairman, Chief Executive Officer and President of Telerate, Inc., a financial information provider, which was acquired by Dow Jones & Co. Inc. Mr. Hirsch served as a consultant to Telerate, Inc. until September 1993. Mr. Hirsch served on the Board of Directors of Dow Jones & Co. Inc. from 1990 to May 1993. Mr. Hirsch was elected to the Information Industry Hall of Fame in 1985.

Robert Flug has been a director since February 1998. Mr. Flug has been the President and Chief Operating Officer of S.L. Danielle, a women's apparel company, since September 1987. Mr. Flug received a B.S. in Business Administration from New York University.

Gary Dale has been a director since January 2000. Mr. Dale has been Vice President of International Marketing at BMG Entertainment, a division of Bertelsmann AG, since 1988, and President of BMG's Interactive Software and Video Division, from 1994 to 1998. Prior to joining BMG, Mr. Dale was Vice President, Asia Pacific for Buena Vista Home Entertainment, a division of the Walt Disney Corporation from 1990 to 1994.

Based solely on a review of Forms 3, 4 and 5 furnished to us with respect to our most recent fiscal year, we believe that all reporting persons currently required to file forms under the Securities Exchange Act of 1934 filed such reports, although each of Messrs. Brant, Muller and Rutcofsky and Ms. Ras did not file for one transaction on a timely basis.

Item 11. Executive Compensation.

The following table sets forth the cash compensation paid by the Company during the fiscal years ended October 31, 1997, 1998 and 1999 to its Chief Executive Officer and its four most highly compensated executive officers other than its Chief Executive Officer, each of whom was serving at the end of the fiscal year ended October 31, 1999 (the "Named Executives"):

Summary Compensation Table

Name and Principal Position	Annual Compensation			Other Annual Compensation(1)	Long-Term Compensation Award
	Year Ended 10/31	Salary(\$)	Bonus(\$)		Securities Underlying Options(#)
Ryan A. Brant Chief Executive Officer	1999	243,873	516,130(2)		200,000(3)
	1998	158,667	218,785	--	--
	1997	125,000	--	--	50,000(3)
Larry Muller Chief Financial Officer(4)	1999	215,077	200,808(5)		70,000(3)
	1998	161,933	25,122	--	20,000(3)
Anthony R. Williams Co-Chairman(6)	1999	240,000	55,000	--	
	1998	164,039(7)	--		150,000(8)
Barbara A. Ras Chief Accounting Officer and Secretary	1999	135,000	15,000		20,000(3)
	1998	114,167	--	--	30,000(3)
	1997	100,000	10,000	--	25,000(3)
Kelly Sumner Vice President of International Operations(9)	1999	230,892	120,269(5)		125,000(10)
	1998	166,220	119,175	--	125,000(11)
	1997	43,447	51,106	--	--

- (1) The aggregate value of benefits to be reported under the "Other Annual Compensation" column did not exceed the lesser of \$50,000 or 10% of the total of annual salary and bonus reported for the Named Executives.
- (2) Includes a one-time bonus of \$342,130 representing the exercise price of options.
- (3) Represents options granted under the 1997 Stock Option Plan.
- (4) Mr. Muller joined the Company in December 1997.
- (5) Includes \$94,500 representing the value of a restricted stock award of 12,500 shares.
- (6) Mr. Williams joined the Company in February 1998.
- (7) Includes \$15,200 paid as consulting fees prior to employment with the Company.
- (8) Represents options to purchase 120,000 shares under the 1997 Stock Option Plan and non-plan options to purchase 30,000 shares.
- (9) Mr. Sumner joined the Company in July 1997.

(10) Represents non-plan options.

(11) Represents options to purchase 85,000 shares granted under the 1997 Stock Option Plan and non-plan options to purchase 40,000 shares.

The following table sets forth information concerning options granted in the fiscal year ended October 31, 1999 to the Named Executives:

Option Grants in Fiscal Year Ended October 31, 1999

Individual Grants

Name	Number of Securities Underlying Options Granted (#)	Percent of Total Options Granted to Employees in Fiscal Year(%)	Exercise Price (\$/Sh)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (1)	
					5%(\$)	10%(\$)
Ryan A. Brant	100,000 100,000	12.6	6.25 6.75	12/6/03 7/30/04	172,626 186,490	381,569 412,094
Larry Muller	40,000 20,000 10,000	4.4	8.00 8.00 5.875	5/25/04 8/24/04 12/6/03	88,410 44,205 16,232	195,363 94,682 35,867
Anthony R. Williams	--	--	--	--	--	--
Barbara A. Ras	5,000 15,000	1.3	5.875 8.125	12/6/03 10/18/04	8,116 33,672	17,934 74,406
Kelly Sumner	50,000 75,000	7.9	7.75 7.75	5/13/04 6/7/04	107,059 160,589	236,573 354,859

(1) The potential realizable value columns of the table illustrate values that might be realized upon exercise of the options immediately prior to their expiration, assuming the Company's Common Stock appreciates at the compounded rates specified over the term of the options. These numbers do not take into account provisions of certain options providing for termination of the option following termination of employment or nontransferability of the options and do not make any provision for taxes associated with exercise. Because actual gains will depend upon, among other things, future performance of the Common Stock, there can be no assurance that the amounts reflected in this table will be achieved.

The following table sets forth information concerning the value of options exercised during the fiscal year ended October 31, 1999 and the value of unexercised stock options held by the Named Executives as of October 31, 1999:

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 Aggregated Option Exercises and Year End Values  
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Name ----	Shares Acquired on Exercise (#) ---	Value Realized (\$) ---	Number of Securities Underlying Unexercised Options at October 31, 1999 (#) -----		Value of Unexercised In-the-Money Options at October 31, 1999 (\$)* -----	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Ryan A. Brant	423,480	3,391,824	128,400	20,000	479,650	97,500
Larry Muller	16,667	91,044	60,000	13,333	142,500	69,165
Anthony R. Williams	--	--	75,000	75,000	436,875	436,875
Barbara A. Ras	50,243	271,269	47,500	17,500	221,875	70,875
Kelly Sumner	--	--	62,500	187,500	327,969	656,094

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\*Year-end values for unexercised in-the-money options represent the positive spread between the exercise price of such options and the fiscal year-end market value of the Common Stock, which was \$10.375 on October 31, 1999.

Director Compensation

Non-employee directors currently receive no cash compensation for serving on the Board of Directors other than reimbursement of reasonable expenses incurred in attending meetings. Non-employee directors are eligible to receive options under the Company's 1997 Stock Option Plan.

Employment Agreements

We entered into an employment agreement with Ryan A. Brant for a five-year term commencing August 1, 1998. Mr. Brant agreed to devote his full time to our business as Chief Executive Officer. The employment agreement provides that Mr. Brant is entitled to receive a base salary of \$250,000 and a bonus equal to \$20,000 per fiscal quarter in the event we achieve certain earnings levels.

We entered into an employment agreement with Anthony R. Williams for a three-year term commencing August 1, 1998. Mr. Williams agreed to devote his full time to our business as Co-Chairman. The employment agreement provides that Mr. Williams is entitled to receive a base salary of \$233,000 and a bonus based on our financial performance.

We entered into an employment agreement with Larry Muller for a three-year term commencing January 29, 1998. Mr. Muller agreed to devote his full time to our business as its

Chief Financial Officer. The agreement provides that Mr. Muller is entitled to receive a base salary of \$233,000 and a bonus based on our financial performance.

In July 1997, Take-Two Interactive Software Europe Limited, our subsidiary, entered into an employment agreement with Kelly Sumner. Mr. Sumner agreed to devote his full time as President and Managing Director for a three-year term. The agreement provides that Mr. Sumner is entitled to an annual salary of (pound)100,000 (approximately \$168,000) and a bonus in the event Take-Two Interactive Software Europe Limited achieves certain earnings levels.

In August 1999, we entered into an employment agreement with Barry Rutcofsky for a three-year term. Mr. Rutcofsky agreed to devote his full time to our business as President. The agreement provides that Mr. Rutcofsky is entitled to receive a base salary of \$250,000, and a bonus based on our financial performance. Mr. Rutcofsky also received options to purchase 250,000 shares of Common Stock.

All of the employment agreements provide that if the employment agreement is terminated under certain circumstances, including in the event of a change of control, the executive will be entitled certain severance compensation. The employment agreements also contain confidentiality and non-competition provisions.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth certain information as of the date of this report, relating to the beneficial ownership of shares of Common Stock by (i) each person or entity who is known by the Company to own beneficially 5% or more of the outstanding Common Stock, (ii) each of the Company's directors, (iii) each of the Named Executives and (iv) all directors and executive officers of the Company as a group.

Name and Address of Beneficial Owner(1)	Number of Shares of Common Stock Beneficially Owned(2)	Percentage of Outstanding Common Stock Beneficially Owned
Peter M. Brant(3)	3,048,749	11.7%
BMG Entertainment	1,350,000	5.2
Oliver R. Grace, Jr.(4)	781,338	3.0
Ryan A. Brant(5)	697,444	2.7
Neil S. Hirsch(6)	222,276	*
Larry Muller(7)	201,396	*
Robert Flug(8)	110,000	*
Anthony R. Williams(9)	175,000	*
Barbara A. Ras(10)	76,806	*
Kelly Sumner(11)	218,000	*
Gary Dale	--	*
All directors and executive officers as a group (eight persons)(12)	2,482,260	9.6%

\* Less than 1%.

(1) Unless otherwise indicated, the address of each beneficial owner is 575 Broadway, New York, New York 10012.

(2) Unless otherwise indicated, the Company believes that all persons named in the table have sole voting and investment power with respect to all shares of Common Stock beneficially owned by them. A person is deemed to be the beneficial owner of securities which may be acquired by such person within 60 days from the date of this proxy statement upon the exercise of options, warrants



or convertible securities. Each beneficial owner's percentage ownership is determined by assuming that options that are held by such person (but not those held by any other person) and which are exercisable within 60 days of the date of this proxy statement, have been exercised.

- (3) Includes 1,941,930 shares of Common Stock held by Brant Allen Industries Incentive Profit Sharing Plan.
- (4) Includes: (i) 653,678 shares of Common Stock owned of record by Anglo American Security Fund, L.P. ("Anglo American"), of which Mr. Grace is a general partner, (ii) 17,960 shares of Common Stock issuable upon the exercise of options owned by Anglo American, (iii) 88,913 shares of Common Stock owned by an affiliated entity and (iv) 20,787 shares of Common Stock issuable upon the exercise of options owned by Mr. Grace.
- (5) Includes 188,400 shares of Common Stock issuable upon the exercise of options granted under the 1997 Plan which are currently exercisable.
- (6) Represents shares of Common Stock held by Bridgehampton Holdings, Inc., an entity controlled by Mr. Hirsch.
- (7) Includes 133,666 shares of Common Stock issuable upon the exercise of options granted under the 1997 Plan which are currently exercisable.
- (8) Includes 48,500 shares of Common Stock held by S.L. Danielle, Inc. and 10,000 shares of Common Stock issuable upon the exercise of options granted under the 1997 Plan which are currently exercisable.
- (9) Includes 120,000 shares of Common Stock issuable upon the exercise of options granted under the 1997 Plan which are currently exercisable and 30,000 shares of Common Stock issuable upon the exercise of non-plan options which are currently exercisable.
- (10) Includes 8,934 shares of Common Stock issuable upon the exercise of options granted under the 1997 Plan, which are currently exercisable.
- (11) Represents 218,000 shares of Common Stock issuable upon the exercise of options.
- (12) Includes currently exercisable options to purchase an aggregate of 706,990 shares of Common Stock.

Item 13. Certain Relationships and Related Transactions.

We lease our office space in New York from 575 Broadway Corporation, a corporation controlled by Peter M. Brant, a principal stockholder.