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GRAVITY Co., Ltd.  
Form SC 13D/A  
August 29, 2006

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

SCHEDULE 13D  
Under the Securities Exchange Act of 1934  
(Amendment No. 7)

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:  
Chadbourne & 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)

August 25, 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.

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\* 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)

(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 566,502.75\*

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

-----  
PERSON 10 SHARED DISPOSITIVE POWER  
WITH 566,502.75\*

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
566,502.75\*

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

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

8.2% of outstanding shares of Common Stock

-----  
14 TYPE OF REPORTING PERSON

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CO

\* Includes 105,971 shares of Common Stock and 1,842,127 American Depositary Shares ("ADSs") representing 460,531.75 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)  [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	7,444.5*	
EACH	9	SOLE DISPOSITIVE POWER
REPORTING	-0-	
PERSON	10	SHARED DISPOSITIVE POWER
WITH	7,444.5*	

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 7,444.5\*

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  
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14 TYPE OF REPORTING PERSON

CO  
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 \* Represents 29,778 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 573,947.25\*  
 -----

EACH 9 SOLE DISPOSITIVE POWER

REPORTING -0-  
 -----

PERSON 10 SHARED DISPOSITIVE POWER

WITH 573,947.25\*  
 -----

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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573,947.25\*

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

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

8.3% of outstanding shares of Common Stock

14 TYPE OF REPORTING PERSON

PN

\* Includes 105,971 shares of Common Stock and 1,871,905 ADSs representing 467,976.25 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 573,947.25\*

EACH 9 SOLE DISPOSITIVE POWER  
REPORTING -0-

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PERSON 10 SHARED DISPOSITIVE POWER

WITH 573,947.25\*

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

573,947.25\*

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

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

8.3% of outstanding shares of Common Stock

14 TYPE OF REPORTING PERSON

OO

\* Includes 105,971 shares of Common Stock and 1,871,905 ADSs representing 467,976.25 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	573,947.25*
EACH	9 SOLE DISPOSITIVE POWER
REPORTING	-0-
PERSON	10 SHARED DISPOSITIVE POWER
WITH	573,947.25*
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 573,947.25*
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [ ]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.3% of outstanding shares of Common Stock
14	TYPE OF REPORTING PERSON IN

\* Includes 105,971 shares of Common Stock and 1,871,905 ADSs representing 467,976.25 shares of Common Stock.

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This Amendment No. 7 (this "Amendment No. 7") 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"), Amendment No. 3 to Schedule 13D dated June 1, 2006 ("Amendment No. 3"), Amendment No. 4 to Schedule 13D dated July 18, 2006 ("Amendment No. 4"), Amendment No. 5 to Schedule 13D dated July 31, 2006 ("Amendment No. 5") and Amendment No. 6 to Schedule 13D dated August 22, 2006 ("Amendment No. 6") filed by Moon Capital Master Fund Ltd., Moon Capital Leveraged Master 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. 7 and not otherwise defined herein have the meanings assigned to such terms in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Amendment No. 5, Amendment No. 6 and/or the Schedule 13D.

Item 4. Purpose of Transaction

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

On August 25, 2006 the Gravity Committee for the Fair Treatment of

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Minority Shareholders (the "Committee") sent a letter to the chief executive officer of the Company exercising the Committee's shareholder rights under Korean law to demand that the Company initiate, on behalf of the shareholders derivatively, a civil lawsuit against certain directors of the Company with respect to certain interested party transactions and alleged misconduct.

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SIGNATURE

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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: August 29, 2006

/s/ John W. Moon

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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.