

New Jonathan  
Form 4  
October 04, 2012

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
New Jonathan

2. Issuer Name and Ticker or Trading Symbol  
Net Element, Inc. [NETE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
1450 SOUTH MIAMI AVENUE  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
10/02/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Chief Financial Officer

MIAMI, FL 33130

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/02/2012		M		94,000	A	\$ 0.1 569,100
Common Stock	10/02/2012		F		37,600	D	\$ 0.25 531,500
Common Stock	10/02/2012		M		58,333	A	\$ 0.06 589,833
Common Stock	10/02/2012		F		14,000	D	\$ 0.25 575,833
Common Stock	10/02/2012		M		46,667	A	\$ 0.15 622,500

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Common Stock	10/02/2012	F	28,000	D	\$ 0.25	594,500	D
Common Stock	10/02/2012	M	46,667	A	\$ 0.15	641,167	D
Common Stock	10/02/2012	F	28,000	D	\$ 0.25	613,167	D
Common Stock	10/02/2012	M	22,222	A	\$ 0.21	635,389	D
Common Stock	10/02/2012	F	18,666	D	\$ 0.25	616,723	D
Common Stock	10/02/2012	M	14,583	A	\$ 0.16	631,306	D
Common Stock	10/02/2012	F	9,333	D	\$ 0.25	621,973	D
Common Stock	10/02/2012	M	13,725	A	\$ 0.17	635,698	D
Common Stock	10/02/2012	F	9,333	D	\$ 0.25	626,365	D
Common Stock	10/02/2012	M	1,000,000	A	\$ 0.16	1,626,365	D
Common Stock	10/02/2012	F	640,000	D	\$ 0.25	986,365	D
Common Stock	10/02/2012	M	21,212	A	\$ 0.11	1,007,577	D
Common Stock	10/02/2012	F	9,333	D	\$ 0.25	998,244	D
Common Stock	10/02/2012	M	19,444	A	\$ 0.12	1,017,688	D
Common Stock	10/02/2012	F	9,333	D	\$ 0.25	1,008,355	D
Common Stock	10/02/2012	M	9,722	A	\$ 0.24	1,018,077	D
Common Stock	10/02/2012	F	9,333	D	\$ 0.25	1,008,744	D
Common Stock	10/02/2012	M	14,583	A	\$ 0.16	1,023,327	D
Common Stock	10/02/2012	F	9,333	D	\$ 0.25	1,013,994	D
Common Stock	10/02/2012	M	66,666	A	\$ 0.07	1,080,660	D
	10/02/2012	F	18,666	D		1,061,994	D

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Common Stock					\$			
					0.25			
Common Stock	10/02/2012		D	1,061,994	D	0		D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Stock Option (Right to Buy)	\$ 0.1	10/02/2012		M	94,000	03/09/2012	03/09/2021	Common Stock	94,000
Stock Option (Right to Buy)	\$ 0.06	10/02/2012		M	58,333	07/31/2011	07/31/2016	Common Stock	58,333
Stock Option (Right to Buy)	\$ 0.15	10/02/2012		M	46,667	09/30/2011	09/30/2016	Common Stock	46,667
Stock Option (Right to Buy)	\$ 0.15	10/02/2012		M	46,667	10/31/2011	10/31/2016	Common Stock	46,667
Stock Option (Right to Buy)	\$ 0.21	10/02/2012		M	22,222	11/30/2011	11/30/2016	Common Stock	22,222
Stock Option (Right to Buy)	\$ 0.16	10/02/2012		M	14,583	01/31/2012	01/31/2017	Common Stock	14,583

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Stock Option (Right to Buy)	\$ 0.17	10/02/2012	M	13,725	02/29/2012	02/28/2017	Common Stock	13,725
Stock Option (Right to Buy)	\$ 0.16	10/02/2012	M	1,000,000	02/10/2012	02/10/2017	Common Stock	1,000,000
Stock Option (Right to Buy)	\$ 0.11	10/02/2012	M	21,212	04/30/2012	04/30/2017	Common Stock	21,212
Stock Option (Right to Buy)	\$ 0.12	10/02/2012	M	19,444	05/31/2012	05/31/2017	Common Stock	19,444
Stock Option (Right to Buy)	\$ 0.24	10/02/2012	M	9,722	06/30/2012	06/30/2017	Common Stock	9,722
Stock Option (Right to Buy)	\$ 0.16	10/02/2012	M	14,583	07/31/2012	07/31/2017	Common Stock	14,583
Stock Option (Right to Buy)	\$ 0.07	10/02/2012	M	66,666	08/31/2012	08/31/2017	Common Stock	66,666
Stock Option (Right to Buy)	\$ 0.37	10/02/2012	D	6,306	08/31/2011	08/31/2016	Common Stock	6,306
Stock Option (Right to Buy)	\$ 0.6	10/02/2012	D	3,889	12/31/2011	12/31/2016	Common Stock	3,889
Stock Option (Right to Buy)	\$ 0.25	10/02/2012	D	14,694	03/31/2012	03/31/2017	Common Stock	14,694

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

New Jonathan  
1450 SOUTH MIAMI AVENUE  
MIAMI, FL 33130

Chief Financial Officer

## Signatures

/s/ Jonathan  
New

10/04/2012

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

These shares were canceled pursuant to the Agreement and Plan of Merger, dated as of June 12, 2012, between Cazador Acquisition

(1) Corporation Ltd., a Cayman Islands limited corporation, and the Issuer, in exchange for the right to receive 0.025 of a share of Cazador common stock in exchange for each share of the Issuer's common stock.

(2) These stock options were canceled in consideration for payment of \$2,333.33 by the Issuer to the reporting person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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