

Kozko Dmitry  
Form 4  
October 03, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
Kozko Dmitry

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)  
EVP Bus Dev

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                                                                                        |                                                          |                                                       |
| Common Stock                    | 10/02/2012                           |                                                    | M                              |                                                                   | 94,000                                                                                        | A                                                        | \$ 0.1 25,044,100 D                                   |
| Common Stock                    | 10/02/2012                           |                                                    | F                              |                                                                   | 37,600                                                                                        | D                                                        | \$ 0.25 25,006,500 D                                  |
| Common Stock                    | 10/02/2012                           |                                                    | M                              |                                                                   | 50,000                                                                                        | A                                                        | \$ 0.06 25,056,500 D                                  |
| Common Stock                    | 10/02/2012                           |                                                    | F                              |                                                                   | 12,000                                                                                        | D                                                        | \$ 0.25 25,044,500 D                                  |
| Common Stock                    | 10/02/2012                           |                                                    | M                              |                                                                   | 40,000                                                                                        | A                                                        | \$ 0.15 25,084,500 D                                  |

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|              |            |   |            |   |          |            |   |
|--------------|------------|---|------------|---|----------|------------|---|
| Common Stock | 10/02/2012 | F | 24,000     | D | \$ 0.25  | 25,060,500 | D |
| Common Stock | 10/02/2012 | M | 40,000     | A | \$ 0.15  | 25,100,500 | D |
| Common Stock | 10/02/2012 | F | 24,000     | D | \$ 0.25  | 25,076,500 | D |
| Common Stock | 10/02/2012 | M | 19,048     | A | \$ 0.21  | 25,095,548 | D |
| Common Stock | 10/02/2012 | F | 16,000     | D | \$ 0.25  | 25,079,548 | D |
| Common Stock | 10/02/2012 | M | 12,500     | A | \$ 0.16  | 25,092,048 | D |
| Common Stock | 10/02/2012 | F | 8,000      | D | \$ 0.25  | 25,084,048 | D |
| Common Stock | 10/02/2012 | M | 11,765     | A | \$ 0.17  | 25,095,813 | D |
| Common Stock | 10/02/2012 | F | 8,000      | D | \$ 0.25  | 25,087,813 | D |
| Common Stock | 10/02/2012 | M | 18,182     | A | \$ 0.11  | 25,105,995 | D |
| Common Stock | 10/02/2012 | F | 8,000      | D | \$ 0.25  | 25,097,995 | D |
| Common Stock | 10/02/2012 | D | 25,097,995 | D | <u>1</u> | 0          | D |

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

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(9-02)

**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) |       |                            |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------|----------------------------|
|                                            |                                                        |                                      |                                                    |                                |                                                                                         | Date Exercisable                                         | Expiration Date                                               | Title | Amount or Number of Shares |
|                                            |                                                        |                                      |                                                    |                                |                                                                                         | Code                                                     | V (A)                                                         | (D)   |                            |

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|                             |         |            |   |        |            |            |              |        |
|-----------------------------|---------|------------|---|--------|------------|------------|--------------|--------|
| 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 | 50,000 | 07/31/2011 | 07/31/2016 | Common Stock | 50,000 |
| Stock Option (Right to Buy) | \$ 0.15 | 10/02/2012 | M | 40,000 | 09/30/2011 | 09/30/2016 | Common Stock | 40,000 |
| Stock Option (Right to Buy) | \$ 0.15 | 10/02/2012 | M | 40,000 | 10/31/2011 | 10/31/2016 | Common Stock | 40,000 |
| Stock Option (Right to Buy) | \$ 0.21 | 10/02/2012 | M | 19,048 | 11/30/2011 | 11/30/2016 | Common Stock | 19,048 |
| Stock Option (Right to Buy) | \$ 0.16 | 10/02/2012 | M | 12,500 | 01/31/2012 | 01/31/2017 | Common Stock | 12,500 |
| Stock Option (Right to Buy) | \$ 0.17 | 10/02/2012 | M | 11,765 | 02/29/2012 | 02/28/2017 | Common Stock | 11,765 |
| Stock Option (Right to Buy) | \$ 0.11 | 10/02/2012 | M | 18,182 | 04/30/2012 | 04/30/2017 | Common Stock | 18,182 |
| Stock Option (Right to Buy) | \$ 0.37 | 10/02/2012 | D | 5,406  | 08/31/2011 | 08/31/2016 | Common Stock | 5,406  |
| Stock Option (Right to Buy) | \$ 0.6  | 10/02/2012 | D | 3,333  | 12/31/2011 | 12/31/2016 | Common Stock | 3,333  |
| Stock Option (Right to Buy) | \$ 0.25 | 10/02/2012 | D | 10,297 | 03/31/2012 | 03/31/2017 | Common Stock | 10,297 |

## Reporting Owners

| Reporting Owner Name / Address                             | Relationships |           |             |       |
|------------------------------------------------------------|---------------|-----------|-------------|-------|
|                                                            | Director      | 10% Owner | Officer     | Other |
| Kozko Dmitry<br>1450 SOUTH MIAMI AVENUE<br>MIAMI, FL 33130 | X             |           | EVP Bus Dev |       |

## Signatures

/s/ Dmitry  
Kozko

10/03/2012

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 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.
- (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 \$2,000 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.