

Net Element, Inc.
Form 4
October 14, 2014

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

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 *
ZOI MIKE

(Last) (First) (Middle)

4100 NE 2ND AVENUE, SUITE 302

(Street)

MIAMI, FL 33137

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
09/30/2014

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Price | | | |
| Common Stock | 09/30/2014 | | J ⁽¹⁾ | 1,377,879 D <u>(1)</u> | 8,197,908 | I | By TGR Capital LLC ⁽³⁾ |
| Common Stock | 10/06/2014 | | J ⁽²⁾ | 4,538,737 D <u>(2)</u> | 3,659,171 | I | By TGR Capital LLC ⁽³⁾ |
| Common Stock | | | | | 1,102,029 | I | By MZ Capital LLC (Delaware) ⁽³⁾ |

Edgar Filing: Net Element, Inc. - Form 4

| | | | |
|--------------|-----------|---|-------------------------|
| Common Stock | 1,777,344 | I | By: MTZ Fund LLC (3) |
| Common Stock | 144 | D | |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 3) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| ZOI MIKE 4100 NE 2ND AVENUE, SUITE 302 MIAMI, FL 33137 | | X | | |
| TGR Capital, LLC 4100 NE 2ND AVENUE, SUITE 302 MIAMI, FL 33160 | | X | | |

Signatures

/s/ Mike Zoi, (individually and as Manager of TGR Capital LLC, MZ Capital LLC (Delaware) and MTZ Fund LLC)

10/10/2014

__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).

(1) On December 5, 2013, K 1 Holding Limited entered into a Letter Agreement (the "K 1 Agreement") with the Net Element, Inc. (the "Company"), and TGR Capital, LLC, and an affiliate of Mike Zoi ("TGR"). Pursuant to the K 1 Agreement, TGR agreed, subject to certain conditions precedent which conditions were satisfied prior to the transfer by TGR of the Common Stock to K 1 Holding, to transfer to K 1 Holding 1,377,879 shares of Common Stock of the Company. The consideration for such shares was the agreement by K 1 Holding to lend \$2,000,000 to the Company and to provide certain consulting services to the Company.

(2) On June 10, 2014, Beno Distribution Ltd. ("Beno") entered into a Letter Agreement (the "Beno Agreement") with the Company, Mike Zoi, TGR and MTZ Fund, LLC, and an affiliate of Mike Zoi. Pursuant to the Agreement, TGR agreed, subject to certain conditions precedent which conditions were satisfied prior to the transfer by TGR of the Common Stock to Beno, to transfer to Beno 4,538,737 shares of Common Stock of the Company. The consideration for such shares was the agreement by the Company, in consideration for Mike Zoi's resignation as director and/or officer of the Company and any of its affiliates, to cause all of the shares of the Company common stock held by each of TGR and its affiliates to be registered.

(3) Mike Zoi is the Manager of each of TGR Capital LLC, MZ Capital LLC (Delaware) and MTZ Fund LLC. Mr. Zoi disclaims beneficial ownership of the securities held by each of such entities except to the extent of his pecuniary interest in such securities.

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.