

Kozko Dmitry  
Form 4  
October 03, 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 \*  
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

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

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
EVP Bus Dev

(Street)  
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.

**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.**

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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 1450 SOUTH MIAMI AVENUE 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.