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- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

Item 8.01 Other Events.

On September 5, 2012, Net Element, Inc. (the “Company”) issued a press release announcing that Alfa-Bank, Russia’s largest private bank, has extended to the Company’s mobile payment processing company, TOT Money, a credit facility of 300 million rubles (approximately US\$9.5 million) and plans to extend to TOT Money another 300 million rubles (approximately US\$9.5 million) under a planned factoring agreement to support TOT Money’s next stage of growth and operations.

The information furnished pursuant to this Item, including Exhibit 99.1 hereto, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), or otherwise subject to liability under that section, and such information shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. The furnishing of information under this Item is not intended to constitute a determination by the Company that the information contained herein (including Exhibit 99.1 hereto) is material or that the dissemination of such information is required by Regulation FD.

Disclaimer

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. No offer or sale of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Additional Information

As previously reported, the Company has entered into an Agreement and Plan of Merger, dated as of June 12, 2012 (the “Merger Agreement”), with Cazador Acquisition Corporation Ltd., a Cayman Islands limited corporation (“Cazador”). Cazador has filed, and the Securities and Exchange Commission (the “SEC”) has declared effective, a registration statement on Form S-4. The registration statement includes a prospectus of Cazador that also constitutes a joint proxy statement of Cazador and the Company. The definitive joint proxy statement/prospectus is first being mailed or otherwise delivered to stockholders of Cazador and Net Element on or about September 5, 2012. Before making any voting decision, stockholders are urged to read the joint proxy statement/prospectus carefully and in its entirety because it contains important information about the proposed merger. Stockholders may obtain, without charge, a copy of the joint proxy statement/prospectus and other relevant documents filed with the SEC through the

SEC's website at <http://www.sec.gov>. Stockholders also may obtain, without charge, a copy of the joint proxy statement/prospectus and other relevant documents filed with the SEC by contacting the Company's Chief Financial Officer, Jonathan New, at 1450 S. Miami Avenue, Miami, FL 33130, telephone number (305) 507-8808, or from the Company's website at <http://www.netelement.com>.

Forward-Looking Statements

This report contains forward-looking statements that reflect the Company's current beliefs, expectations or intentions regarding future events. Any statements contained in this report that are not statements of historical fact may be deemed forward-looking statements. Words such as "will," "may," "could," "should," "expect," "expected," "proposed," "contemplated," "plan," "planned," "project," "forecast," "going forward," "intend," "anticipate," "anticipated," "believe," "hope," "estimate," "predict," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the Company's expectations with respect to the entering into the factoring agreement with Alfa-Bank and the mobile payments processing capacity. All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, many of which are generally outside the control of the Company and are difficult to predict. Examples of such risks and uncertainties include, but are not limited to: (i) failure of TOT Money to enter into the factoring agreement with Alpha-Bank for any reason; (ii) modifications and termination of contracts; (iii) general business and economic conditions; (iii) the performance of financial markets; (iv) control and operational issues pertaining to business activities that the Company conducts on its own behalf or pursuant to joint ventures with other parties; and (v) the need to retain and recruit key technical and management personnel. Additional factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements can be found in the most recent annual report on Form 10-K and the subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K filed by the Company with the SEC, as well as the definitive joint proxy statement/prospectus. The Company anticipates that subsequent events and developments may cause its views and expectations to change. The Company assumes no obligation, and it specifically disclaims any intention or obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Participants in the Solicitation

Cazador and the Company and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. Information about the Company's directors and executive officers is set forth in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2011. Information about Cazador's directors and executive officers is set forth in Cazador's annual report on Form 10-K for the fiscal year ended December 31, 2011. Additional information regarding the interests of such potential participants in the proposed merger, which may be different than those of the Company's stockholders and/or Cazador's stockholders generally, is included in the joint proxy statement/prospectus and other relevant documents filed with the SEC.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|-------------|---------------------------------------|
| 99.1 | Press Release dated September 5, 2012 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NET ELEMENT, INC.

Date: September 5, 2012 By: /s/ Jonathan New
Name: Jonathan New
Title: Chief Financial Officer

EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|---------------------------------------|
| 99.1 | Press Release dated September 5, 2012 |