

Net Element, Inc.
Form 425
September 05, 2012

Filed by Cazador Acquisition Corporation Ltd. Pursuant to Rule 425

Under the Securities Act of 1933

And Deemed Filed Pursuant to Rule 14a-12

Under the Securities Exchange Act of 1934

Subject Company: Net Element, Inc.

Commission File No. of Subject Company: 000-51108

This filing relates to the proposed merger of Cazador Acquisition Corporation Ltd. with Net Element, Inc., pursuant to the terms of an Agreement and Plan of Merger, dated as of June 12, 2012, between Cazador Acquisition Corporation Ltd. and Net Element, Inc. (the "Merger Agreement").

Forward-Looking And Cautionary Statements – Safe Harbor

This communication contains forward-looking statements that reflect the current beliefs, expectations or intentions regarding future events of Cazador Acquisition Corporation Ltd. ("Cazador") and Net Element, Inc. ("Net Element"). Any statements contained in this communication that are not statements of historical fact may be deemed forward-looking statements. Words such as "may," "will," "could," "should," "expect," "proposed," "contemplated," "plan," "project," "intend," "believe," "estimate," "predict," "potential," "pursue," "target," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Cazador's and Net Element's expectations with respect to the surviving company's plans, objectives, expectations and intentions with respect to future operations; approval and adoption of the Merger Agreement by the requisite number of shareholders; the satisfaction of closing conditions to the proposed transaction; and the timing of the completion of the proposed transaction. 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 Cazador and Net Element and are difficult to predict. Examples of such risks and uncertainties include, but are not limited to: (i) the failure of the merger to close for any reason; (ii) general business and economic conditions; (iii) the performance of financial markets; (iv) risks relating to the consummation of the contemplated merger, including the risk that required shareholder approval and regulatory agencies might not be obtained in a timely manner or at all or that other closing conditions are not satisfied; (v) the impact of the merger on the markets for the surviving company's products and services; (vi) the employees of Cazador and Net Element not being combined and integrated successfully; (vii) operating costs and business disruption following the merger, including adverse effects on employee retention and on the Net Element's business relationships with third parties; (viii) the

inability of the surviving company following the closing of the merger to meet Nasdaq's listing requirements; and (ix) the future performance of the surviving company following the closing of the merger. 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 each of Cazador and Net Element with the Securities and Exchange Commission ("SEC"). Each of Cazador and Net Element anticipate that subsequent events and developments may cause their views and expectations to change. Neither Cazador nor Net Element assumes any obligation, and each specifically disclaims any intention or obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

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.

In connection with the proposed merger, Cazador and Net Element have prepared and filed with the SEC a joint proxy statement/prospectus (which has been included in an effective Registration Statement on Form S-4). A definitive joint proxy statement/prospectus and a form of proxy are being mailed, on or about September 5, 2012, to the shareholders of Cazador and the shareholders of Net Element. Before making any voting decision, shareholders are urged to read the joint proxy statement/prospectus carefully and in its entirety because it contains important information about the proposed merger. Shareholders are able to 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>.

Participants in the Merger Solicitation

Cazador and Net Element and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. 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. Information about Net Element's directors and executive officers is set forth in Net Element'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 merger, which may be different than those of Cazador's shareholders and/or Net Element's shareholders generally, have been included in the joint proxy statement/prospectus and other relevant documents filed with the SEC.

FOR IMMEDIATE RELEASE

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**NET ELEMENT RECEIVES 300 MILLION RUBLES (\$9.5 MILLION)
CREDIT FACILITY AND EXPECTS ANOTHER 300 MILLION RUBLES (\$9.5 MILLION) UNDER
FACTORING AGREEMENT FROM ALFA-BANK**

***Funds will Finance Technology Company's Growth and Continued
Development of its Mobile Commerce and Payment Processing Platform***

MIAMI – September 5, 2012 – Net Element (OTCQB: NETE), a global technology and publishing company that operates in mobile commerce and payment processing, and also publishes popular entertainment portals and destinations, today announced that Alfa-Bank, Russia's largest private bank, has extended Net Element's mobile payment processing company, TOT Money, a credit facility of 300 million rubles (approximately \$9.5 million) and plans to extend to TOT Money another 300 million rubles (approximately \$9.5 million) under a planned factoring agreement to support the company's next stage of growth and operations.

TOT Money, a mobile payment platform that will facilitate transactions via SMS on any phone and mobile network in Russia, is expected to become the driver of Net Element's mobile commerce payment processing division.

The current 300 million rubles credit facility, along with the 300 million rubles factoring agreement expected to be executed in the coming weeks, will provide TOT Money with financial resources to attract top customers and build upon its mobile commerce and payment-processing platform for Russia and other emerging markets. When executed, the factoring agreement will call for Alfa-Bank to serve as the collector and processor of accounts receivables for TOT Money, and will provide TOT Money with working capital to support its growth strategy.

“We extended this credit facility to TOT Money based on our extensive due-diligence process and our understanding that the company is well-positioned to capitalize on demand for mobile payment processing,” said Iilina Polina, business development director at Alfa-Bank.

Added Dmitry Kozko, Net Element’s executive vice president: “The credit facility from Alfa-Bank, combined with Net Element’s key relationships with the Big Three mobile operators in Russia, will strategically position TOT Money to become one of the leading companies in Russia’s upcoming mobile commerce boom. With this credit facility and factoring agreement, we hope to strategically grow the TOT Money business and provide TOT Money with the capacity to process

mobile payments up to 600 million rubles per month. Furthermore, our business relationship with the prestigious Alfa-Bank is further testament to our company’s business model and growth potential.”

About Alfa-Bank

Founded in 1990, Alfa-Bank is Russia's largest private bank in terms of total assets, total equity, customer accounts and loan portfolio. The full-service bank operates in most sectors of the financial market, including retail and corporate lending, investment banking, trade finance and asset management. According to its audited IFRS financial statements for the full year 2011, the Alfa Banking Group, which comprises OJSC Alfa-Bank as well as its subsidiary banks and financial companies, had total assets of \$31.4 billion, gross loans of \$23.2 billion, and total equity of \$3.4 billion. Net profit after tax for 2011 amounted to \$641 million. The Alfa Banking Group's corporate and retail client base has grown considerably during the past several years. As of January 2012, Alfa-Bank Group serves approximately 55,800 corporate and 6.3 million retail customers, while the branch network consists of 465 offices across Russia and abroad, including a subsidiary bank in the Netherlands and financial subsidiaries in the United States, the United Kingdom and Cyprus. For more information, visit www.alfabank.com/usa/.

About Net Element (OTCQB: NETE)

Net Element (OTCQB: NETE) is a global technology and publishing company that operates in mobile commerce and payment processing, as well as publishes popular Internet portals and destinations. Its product development centers in Ukraine and Russia and influential relationships in Russia and Commonwealth Independent States strategically position the company for growth in Russia and other emerging markets. Net Element owns and operates a mobile-commerce company, TOT Money, as well as several Internet properties that create social and business communities in the entertainment, music, motorsports and film industries. Net Element's portfolio includes: www.TOTmoney.ru; www.Motorsport.com; www.Openfilm.com; and www.Music1.ru; www.ARLive.com and www.Yapik.com. For more information, visit www.NetElement.com.

Forward-Looking Statements

Certain statements contained in this press release may be considered "forward-looking statements." Words such as "will," "may," "could," "should," "expect," "expected," "proposed," "contemplated," "plan," "planned," "project," "foresee," "intend," "anticipate," "anticipated," "believe," "hope," "estimate," "estimated," "predict," "potential," "continue," and "may continue" expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, NETE's expectations with respect to the entering into the factoring agreement with Alfa-Bank and the mobile payments processing capacity. Except for historical information contained in this press release, the matters set forth herein including, but not limited to, any projections of revenues, earnings or other financial items; any statements concerning our plans, strategies and objectives for future operations; and any statements regarding future economic conditions or performance, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and assumptions and are subject to certain risks and uncertainties. Although we believe that the expectations, estimates and assumptions reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in our forward-looking statements include: failure of TOT Money to enter into the factoring agreement with Alpha-Bank for any reason; modifications and termination of contracts; control and operational issues pertaining to business activities that we conduct on our own behalf or pursuant to joint ventures with other parties; the need to retain and recruit key technical and management personnel; etc. Additional factors that could cause actual results to differ materially from our forward-looking statements are set forth in the

reports we have filed with the Securities and Exchange Commission. We do not intend, and undertake no obligation, to update any forward-looking statement.

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