

Net Element, Inc.  
Form SC 13D  
April 02, 2015  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934**

**Net Element, Inc.**

(Name of Issuer)

**Common Stock, \$0.0001 per share par value**

(Title of Class of Securities)

**64111R 102**

(CUSIP Number)

**Anashkhan Gabbazova**

**Cayman Invest S.A.**

**3A Little Denmark Complex**

**147 Main Street P.O. Box 4473**

**Road Town, Tortola, British Virgin Islands VG 1110**

**+7 916 664 1310**

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

**March 25, 2015**

Edgar Filing: Net Element, Inc. - Form SC 13D

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 64111R 102

Names of Reporting Persons.

1

Cayman Invest S.A.

(a) ..

2 Check the Appropriate Box if a Member of a Group

(b) x

3 SEC Use Only

4 Source of Funds

PF

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

..

6 Citizenship or Place of Organization

British Virgin Islands

	7	Sole Voting Power	5,569,158*
	8	Shared Voting Power	0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	9	Sole Dispositive Power	5,569,158*
	10	Shared Dispositive Power	0

11 Aggregate Amount Beneficially Owned by Each Reporting Person 5,569,158

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares ..

13 Percent of Class Represented by Amount in Row (11) 11.7%

14 Type of Reporting Person OO

\* Number of shares reflects 11.7% of 47,460,032, which is the number of the outstanding shares of Common Stock as of March 30, 2015.

CUSIP No. 64111R 102

Names of Reporting Persons.

1

Anashkhan Gabbazova

(a) ..

2 Check the Appropriate Box if a Member of a Group

(b) x

3 SEC Use Only

4 Source of Funds

PF

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

..

6 Citizenship or Place of Organization

Kyrgyz Republic

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7	Sole Voting Power	0
8	Shared Voting Power	5,569,158*
9	Sole Dispositive Power	0
10	Shared Dispositive Power	5,569,158*

11 Aggregate Amount Beneficially Owned by Each Reporting Person 5,569,158

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares ..

13 Percent of Class Represented by Amount in Row (11) 11.7%

14 Type of Reporting Person IN

\* Number of shares reflects 11.7% of 47,460,032, which is the number of the outstanding shares of Common Stock as of March 30, 2015.

## Item 1. Security and Issuer

This Schedule 13D relates to the common stock, \$0.0001 per share par value (the “Common Stock”), of Net Element, Inc., a Delaware corporation (the “Company”). The Company’s principal executive offices are located at 3363 NE 163rd Street, Suite 705, North Miami Beach, FL 33160.

## Item 2. Identity and Background

(a) This statement is being filed by Cayman Invest S.A., a British Virgin Islands limited company (“Cayman”) and Anashkhan Gabbazova. Ms. Gabbazova is Cayman’s sole shareholder and sole director. The agreement (the “Joint Filing Agreement”) between Cayman and Anashkhan Gabbazova to file this statement, and any amendment or amendments thereto, jointly in accordance with Rule 13d-1(k) promulgated under the Act, is attached hereto as Exhibit 99.1.

(b) The address of Cayman’s principal office is 3A Little Denmark Complex, 147 Main Street P.O. Box 4473, Road Town, Tortola, British Virgin Islands, VG 1110. The principal address of Anashkhan Gabbazova is 17 Tyupskiy Lane, Bishkek, Kyrgyzstan.

(c) Cayman is a privately held company and investment vehicle. Ms. Gabbazova is the sole shareholder and sole director of Cayman. The present principal occupation of Ms. Gabbazova is investing her personal funds and funds held by Cayman.

(d) During the past five years, neither Cayman nor Ms. Gabbazova has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the past five years, neither Cayman nor Ms. Gabbazova has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction (1) as a result of which she or it was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or (2) which found any violation with respect to federal or state securities laws.

(f) Cayman is a British Virgin Islands limited company, and Ms. Gabbazova is a citizen of the Kyrgyz Republic.

**Item 3. Source and Amount of Funds or Other Consideration**

All of the securities beneficially owned by Cayman and deemed beneficially owned by Ms. Gabbazova were acquired with funds generated and held by Cayman.

The information contained in Item 4 below is incorporated by reference in this Item 3.

**Item 4. Purpose of Transaction**

The securities beneficially owned by Cayman and deemed beneficially owned by Ms. Gabbazova were acquired for investment purposes in the ordinary course of its and her business as an investor.

On April 21, 2014, the Company entered into a Secured Convertible Senior Promissory Note (the "Note") with Cayman. Pursuant to the Note, Cayman agreed to loan to the Company \$11,200,000.00. No interest accrued under the Note. The Note provided that if the Company realized a first financing closing after the date of the Note and prior to March 31, 2015, in which the Company received financing of at least \$10 million from a third party (the "Qualified Financing"), the entire principal amount of the Note would be automatically converted into common shares of the Company equal to 15% of the then outstanding shares of the Company.

On July 15, 2014, the Company and Cayman executed a Confirmatory Agreement to reflect the occurrence of a Qualified Financing, confirm the automatic conversion on June 30, 2014 of the principal amount of the Note into 5,569,158 shares of Common Stock of the Company, or 15% of the then-outstanding shares of Common Stock, and to confirm the adjustment in the calculation of the number of shares of Common Stock of the Company into which the principal amount of the Note was convertible.

Except as described in this Item 4 of Schedule 13D, neither Cayman nor Ms. Gabbazova have any present plans or proposals that relate to or would result in any of the actions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D, although, subject to the agreements described herein, Cayman and Ms. Gabbazova, at any time and from time to time, may review, reconsider and change their position and/or change their purpose and/or develop such plans and may seek to influence management or the board of directors of the Company with respect to the business and affairs of the Company, and may from time to time consider pursuing or proposing any such transactions and, in connection therewith, may discuss, evaluate and/or pursue any such transactions with advisors, the Company or other persons.

#### **Item 5. Interest in Securities of Issuer**

(a) – (b) As of the date hereof, Cayman is the beneficial owner of 5,569,158 shares of Common Stock, representing approximately 11.7% of the outstanding shares of Common Stock (based on 47,460,032 shares outstanding as of March 30, 2015, as reported in the Company's Form 10-K for the year ended December 31, 2014) and has sole voting power and sole dispositive power with respect to such shares. Ms. Gabbazova, as the sole shareholder and sole director of Cayman, may also be deemed to beneficially own the above-described shares of Common Stock beneficially owned by Cayman and has shared voting power and shared dispositive power with respect to such shares.

(c) Neither Cayman nor Ms. Gabbazova has effected any transaction in the Common Stock in the past 60 days.

(d) Not applicable.

(e) Not applicable.

#### **Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer**

The information contained in Item 4 below is incorporated by reference in this Item 6.

**Item 7. Material to be Filed as Exhibits**

Exhibit 99.1 Joint Filing Agreement, dated April 1, 2015, between Cayman and Anashkhan Gabbazova.

Exhibit 99.2 Secured Convertible Senior Promissory Note dated as of April 21, 2014, by and between the Company and Cayman (Filed as Exhibit 4.1 to the Form 8-K filed by the company with the Securities Exchange Commission on April 22, 2014 and incorporated herein by reference).

Exhibit 99.3 Confirmatory Agreement, dated July 15, 2014, between Cayman and the Company.



**SIGNATURES**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

Date: April 1, 2015 /s/ *Anashkhan Gabbazova*  
Anashkhan Gabbazova

Date: April 1, 2015 CAYMAN INVEST S.A.

By: /s/ *Anashkhan Gabbazova*  
Anashkhan Gabbazova, Director

**EXHIBIT INDEX**

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