

Net Element, Inc.  
Form SC 13D/A  
September 16, 2015

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

**SCHEDULE 13D**  
**Under the Securities Exchange Act of 1934**  
**(Amendment No. 3)\***

**Net Element, Inc.**

**(Name of Issuer)**

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

**(Title of Class of Securities)**

**64111R102**

**(CUSIP Number of Class of Securities)**

**Kenges Rakishev**

**c/o SAT & Company**

**241 Mukanova Street**

**Almaty 050008, Republic of Kazakhstan**

**7-727-2777-111**

**Novatus Holding PTE. Ltd.**

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

**Attention: Kenges Rakishev**

**22B Duxton Hill**

**Singapore 089605, Republic of Singapore**

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

**September 11, 2015**

**(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 Rule 13d-1(e), 13d-1(f) or 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 240.13d-7(b) 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).

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SCHEDULE 13D

CUSIP No. 64111R102

1. Name of reporting person:

Kenges Rakishev

2. Check the appropriate box if a member of a group

(a)  (b)

3. SEC use only

4. Source of funds

OO

5. Check box if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6. Citizenship or place of organization

Republic of Kazakhstan

Number of 7. Sole voting power

shares

beneficially 14,642,798 (see Item 5)

8. Shared voting power

owned by

each

reporting 7,320,751 (see Item 5)

9. Sole dispositive power

person

with 14,642,798 (see Item 5)

10. Shared dispositive power

7,320,751 (see Item 5)

11. Aggregate amount beneficially owned by each reporting person

21,963,549

12. Check box if the aggregate amount in Row (11) excludes certain shares

13. Percent of class represented by amount in Row (11)

25.6%

14. Type of reporting person

HC; IN

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SCHEDULE 13D

CUSIP No. 64111R102

1. Name of reporting person:

Novatus Holding PTE. Ltd.

2. Check the appropriate box if a member of a group

(a)  (b)

3. SEC use only

4. Source of funds

WC

5. Check box if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6. Citizenship or place of organization

Republic of Singapore

Number of 7. Sole voting power

shares

beneficially 0 (see Item 5)

8. Shared voting power

owned by

each

reporting 7,320,751 (see Item 5)

9. Sole dispositive power

person

with 0 (see Item 5)

10. Shared dispositive power

7,320,751 (see Item 5)

11. Aggregate amount beneficially owned by each reporting person

7,320,751

12. Check box if the aggregate amount in Row (11) excludes certain shares

13. Percent of class represented by amount in Row (11)

9.3%

14. Type of reporting person

CO

This Amendment No. 3 (the **Amendment** ) relates to the Statement of Beneficial Ownership on Schedule 13D filed jointly by Kenges Rakishev ( **Mr. Rakishev** ), Mark Global Corporation ( **Mark Global** ) and Novatus Holding PTE. Ltd. ( **Novatus** ) (each of Mr. Rakishev and Novatus, a **Reporting Person** and collectively, the **Reporting Persons** ) with the SEC on October 9, 2012, as amended by Amendment No. 1 to such statement filed with the SEC on June 11, 2013, as further amended by Amendment No. 2 to such statement filed with the SEC on June 8, 2015 (as further amended by this Amendment, the **Schedule 13D** ).

Except as set forth below, all Items of the Schedule 13D remain unchanged. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Schedule 13D.

## **Item 2. Identity and Background**

*Item 2 of the Schedule 13D is hereby amended to add the following information for updating:*

The business address of each director of Novatus set forth on **Schedule I** to the Schedule 13D is 10 Marina Boulevard, Level 39, Marina Bay Financial Centre Tower 2, Singapore 018953.

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

*Item 3 of the Schedule 13D is hereby amended to add the following information for updating:*

All funds used by Mr. Rakishev to acquire the securities in the Investment Transaction (as defined below) have come directly from the assets controlled by Mr. Rakishev and his affiliates. The aggregate amount of consideration paid or payable by Mr. Rakishev for the securities in the Investment Transaction was \$1,000,000.00.

## **Item 4. Purpose of Transaction**

*Item 4 of the Schedule 13D is hereby amended to add the following information for updating:*

In connection with a private placement of securities by the Company, Mr. Rakishev entered into a letter agreement, dated as of September 11, 2015 (the **Investment Agreement** ), pursuant to which, among other things, Mr. Rakishev agreed to purchase and purchased, on the terms and conditions contained therein, (1) 7,142,857 shares of Common Stock and (2) an option (the **Option** ) (such transactions are referred to herein as the **Investment Transaction** ).

The Option is immediately exercisable for up to 7,142,857 shares of Common Stock at an initial exercise price of \$0.22 per share of Common Stock, subject to adjustment as described below. The Option expires on September 11, 2020. The Option also contains customary anti-dilution provisions in the event of stock dividends, stock splits, reorganizations or similar events.

The foregoing description is qualified in its entirety by reference to the Investment Agreement and the Option. Copies of the Investment Agreement and Option are attached hereto as Exhibits 99.5 and 99.6, respectively, and the terms thereof are incorporated herein by reference.

Each Reporting Person expects to evaluate on an ongoing basis the Issuer's financial condition and prospects and its interest in, and intentions with respect to, the Issuer and their investment in the securities of the Issuer, which review may be based on various factors, including, without limitation, the Issuer's business and financial condition, results of operations and prospects, general economic and industry conditions, the price and availability of shares of the Issuer's



capital stock, the conditions of the securities markets in general and those for the Issuer's securities in particular, as well as other

developments and other investment opportunities. Accordingly, each Reporting Person reserves the right to change its intentions, as it deems appropriate. In particular, each Reporting Person may at any time and from time to time, in the open market, in privately negotiated transactions or otherwise, increase their investment in securities of the Issuer or dispose of all or a portion of the securities of the Issuer that the Reporting Persons now own or may hereafter. In addition, the Reporting Persons may engage in discussions with management and members of the Board of Directors of the Issuer regarding the Issuer, including, but not limited to, the Issuer's business and financial condition, results of operations and prospects. The Reporting Persons may take positions with respect to and seek to influence the Issuer regarding the matters discussed above. Such suggestions or positions may include one or more plans or proposals that relate to or would result in any of the actions required to be reported herein. The Reporting Persons also reserve the right, in each case subject to applicable law, to (i) cause any of the Reporting Persons to distribute (or pay a dividend in kind to their respective partners, members, or stockholders, as the case may be) shares of Common Stock or other securities owned by such Reporting Persons, (ii) enter into privately negotiated derivative transactions with institutional counterparties to hedge the market risk of some or all of their positions in the shares of Common Stock or other securities and (iii) consider participating in a business combination transaction that would result in an acquisition of all of the Issuer's outstanding shares of Common Stock. To the knowledge of each Reporting Person, each of the persons listed on **Schedule I** to the Schedule 13D may make similar evaluations from time to time or on an ongoing basis.

Except as set forth above and in Item 4 of the Schedule 13D, none of the Reporting Persons nor, to the best of their knowledge, any person listed in **Schedule I** to the Schedule 13D, has any plans or proposals which relate to or would result in: (a) the acquisition by any person of additional securities of the Issuer, or the disposition of securities of the Issuer; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries; (d) any change in the present Board of Directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the Issuer's Board of Directors; (e) any material change in the present capitalization or dividend policy of the Issuer; (f) any other material change in the Issuer's business or corporate structure; (g) any changes in the Issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person; (h) causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (j) any action similar to any of those enumerated above.

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

*Item 5 of the Schedule 13D is hereby amended to add the following information for updating:*

(a) (i) Novatus may be deemed to have beneficial ownership of 7,320,751 shares of Common Stock, and all such shares of Common Stock represent beneficial ownership of approximately 9.3% of the Common Stock, based on (x) 67,140,012 shares of Common Stock issued and outstanding as of August 11, 2015, as disclosed in the Form 10-Q filed by the Issuer with the SEC on August 13, 2015, plus (y) 11,357,143 shares of Common Stock issued by the Issuer on September 11, 2015, in connection with the Investment Transaction.

(ii) Mr. Rakishev may be deemed to have beneficial ownership of 21,963,549 shares of Common Stock consisting of (1) 7,499,941 shares of Common Stock held directly by Mr. Rakishev,

(2) 7,320,751 shares of Common Stock held directly by Novatus and (3) 7,142,857 shares of Common Stock issuable upon exercise of options held by Mr. Rakishev (the Options ), and all such shares of Common Stock represent beneficial ownership of approximately 25.6% of the Common Stock, based on (x) 67,140,012 shares of Common Stock issued and outstanding as of August 11, 2015, as disclosed in the Form 10-Q filed by the Issuer with the SEC on August 13, 2015, plus (y) 11,357,143 shares of Common Stock issued by the Issuer on September 11, 2015, in connection with the Investment Transaction and (z) 7,142,857 shares of Common Stock issuable upon exercise of the Options.

(b) Each Reporting Person has sole or shared power to vote or direct the vote and to dispose or direct the disposition of shares of Common Stock beneficially owned by such Reporting Person as indicated herein.

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

*Item 6 of the Schedule 13D is hereby amended to add the following information for updating:*

The information set forth in Item 4 is hereby incorporated herein by reference.

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

*Item 7 of the Schedule 13D is hereby amended to add the following information for updating:*

<b>Exhibit No.</b>	<b>Description</b>
Exhibit 99.5	Letter Agreement, dated September 11, 2015, by and among the Issuer, Star Equities, LLC, Kenges Rakishev, Steven Wolberg, William Healy, Vladimir Sadovskiy and David Rozinov.
Exhibit 99.6	Option to Purchase Shares of Restricted Common Stock, dated September 11, 2015, issued by the Company to Kenges Rakishev.

**SIGNATURE**

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.

Dated: September 16, 2015

NOVATUS HOLDING PTE. LTD.

By: /s/ Tom Haeusler

Name: Tom Haeusler

Title: Director

/s/ Kenges Rakishev

Kenges Rakishev

**EXHIBIT INDEX**

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