

Net Element, Inc.
Form 8-K
September 19, 2016

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UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported) September 15, 2016

Net Element, Inc.

(Exact Name of Registrant as Specified in Charter)

| | | |
|------------------------|-------------------------|-----------------------|
| Delaware | 001-34887 | 90-1025599 |
| (State or Other | (Commission File | (IRS |
| Jurisdiction | Number) | Employer |
| of | | Identification |
| Incorporation) | | No.) |

**3363 NE 163rd Street, Suite 705,
North Miami Beach, FL 33160
(Address of Principal Executive
Offices) (Zip Code)**

**(305) 507-8808
(Registrant's telephone number,
including area code)**

**Not Applicable
(Former Name or Former
Address, if Changed Since Last
Report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On September 16, 2016, Net Element, Inc. (the “Company”) opted to exchange a tranche in the aggregate amount of \$200,000 for 194,175 shares of the Company common stock based on the “exchange price” of \$1.03 per share for this tranche pursuant to the Master Exchange Agreement, (the “Agreement”) with Crede CG III, Ltd. (“Crede”). The Agreement and its terms were disclosed in our Current Report on Form 8-K filed on May 3, 2016. Such shares of common stock of the Company were issued to Crede under an exemption from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), in reliance upon Section 3(a)(9) of the Securities Act.

Item 3.02 Unregistered Sales of Equity Securities.

(a) On September 15, 2016, the Company opted to present ESOUUSA HOLDINGS, LLC, a New York limited liability company (“ESOUUSA”), with a purchase notice directing ESOUUSA to purchase 454,546 shares of the Company’s common stock for the aggregate purchase price of \$500,000 pursuant to the Common Stock Purchase Agreement (the “SPA”) with ESOUUSA. The SPA and its terms were disclosed in our Current Report on Form 8-K filed on July 12, 2016. Such shares of common stock of the Company were issued to ESOUUSA under an exemption from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), in reliance upon Section 4(a)(2) of the Securities Act.

(b) The disclosure provided in Item 2.03 of this Report is hereby incorporated by reference into this Item 3.02.

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.

Dated: September 16, 2016

NET ELEMENT, INC.

By: /s/ Jonathan New

Name: Jonathan New

Title: Chief Financial Officer