

Net Element, Inc.
Form 4
March 02, 2017

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
New Jonathan

(Last) (First) (Middle)
C/O NET ELEMENT, INC., 3363
NE 163RD ST., SUITE 705

(Street)

NORTH MIAMI BEACH, FL 33160

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Net Element, Inc. [NETE]

3. Date of Earliest Transaction
(Month/Day/Year)
02/28/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | |
|-----------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|
| | | | Code | V | Amount (A) or (D) Price | | | |
| Restricted Shares of Common Stock | 02/28/2017 | | A | | 12,568 (1) | A | (1) 30,232 | D |
| Common Stock | | | | | 575 | I | By Spouse | |
| Common Stock | | | | | 1,075 | I | By Son | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Options to Purchase Shares of Common Stock | \$ 0.813 | 02/28/2017 | | A | 120,000 (2) | (3) | 02/28/2027 | Options to Purchase Shares of Common Stock | 120,000 (2) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| New Jonathan C/O NET ELEMENT, INC. 3363 NE 163RD ST., SUITE 705 NORTH MIAMI BEACH, FL 33160 | | | Chief Financial Officer | |

Signatures

/s/ Jonathan
New

02/28/2017

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Net Element, Inc. (the "Company") awarded to Jonathan New, Chief Financial Officer of the Company, 12,568 Restricted Shares (as defined in the Company's 2013 Equity Incentive Plan, as amended (the "Plan"), vesting as follows: (i) 50% of such shares vest on the grant date, and (ii) the balance 50% of such shares vest quarterly in 4 equal proportions over a period of 4 quarters.

(2) Net Element, Inc. awarded 120,000 options to purchase shares of common stock to Jonathan New pursuant to the terms of the Plan.

(3) Options vest as follows: (i) 50% of the option shares vest on the grant date, and (ii) the balance 50% of the option shares vest quarterly in 4 equal proportions over a period of 4 quarters.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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