

Net Element International, Inc.  
Form SC 13G/A  
February 14, 2013

SECURITIES  
AND  
EXCHANGE  
COMMISSION  
Washington,  
D.C. 20549

SCHEDULE  
13G/A

Under the  
Securities  
Exchange Act of  
1934  
(Amendment  
No.2)\*

Net Element  
International,  
Inc.  
(Name of  
Issuer)

Common Stock,  
par value  
\$0.0001 per  
share  
(Title of Class  
of Securities)

64111R102  
(CUSIP  
Number)

December 31,  
2012  
(Date of Event  
Which Requires  
Filing of This  
Statement)

Check the  
appropriate box  
to designate the  
rule pursuant to  
which this  
Schedule is

filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

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Pages)

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\*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 the disclosures provided in a prior cover page.

The information required in 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).

|   |  |
|---|--|
| 1 | NAME OF REPORTING PERSON   |
| 2 | Polar Securities Inc.<br>CHECK THE APPROPRIATE BOX IF A MEMBER (b) x OF A GROUP  |
| 3 | SEC USE ONLY CITIZENSHIP OR PLACE OF ORGANIZATION                                |
| 4 | Canada   |
| 5 | SOLE VOTING POWER  |
| 6 | 0 SHARED VOTING POWER  |
| 7 | Warrants to purchase up to 150,000 Shares of Common Stock SOLE DISPOSITIVE POWER |
| 8 | 0 SHARED DISPOSITIVE POWER   |
| 9 | Warrants to purchase up to 150,000 Shares of Common Stock<br>AGGREGATE AMOUNT    |

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON

Warrants to purchase  
up to 150,000 Shares  
of Common Stock

CHECK BOX  
IF THE  
AGGREGATE  
AMOUNT IN ..  
10 ROW (9)  
EXCLUDES  
CERTAIN  
SHARES  
PERCENT OF  
CLASS  
11 REPRESENTED BY  
AMOUNT IN ROW  
(9)

0.5%  
TYPE OF  
REPORTING  
PERSON  
12

IA

|   |  |
|---|--|
| 1 | NAME OF REPORTING PERSON   |
| 2 | North Pole Capital Master Fund<br>CHECK THE APPROPRIATE BOX IF A MEMBER (b) x OF A GROUP |
| 3 | SEC USE ONLY CITIZENSHIP OR PLACE OF ORGANIZATION  |
| 4 | Cayman Islands   |
| 5 | SOLE VOTING POWER  |
| 6 | 0 SHARED VOTING POWER  |
| 7 | Warrants to purchase up to 150,000 Shares of Common Stock SOLE DISPOSITIVE POWER         |
| 8 | 0 SHARED DISPOSITIVE POWER   |
| 9 | Warrants to purchase up to 150,000 Shares of Common Stock                                |

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON

Warrants to purchase  
up to 150,000 Shares  
of Common Stock

CHECK BOX  
IF THE  
AGGREGATE  
AMOUNT IN ..  
10 ROW (9)  
EXCLUDES  
CERTAIN  
SHARES  
PERCENT OF  
CLASS  
11 REPRESENTED BY  
AMOUNT IN ROW  
(9)

0.5%  
TYPE OF  
REPORTING  
12 PERSON

CO

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This Amendment No. 2 (this "Amendment") amends the statement on Schedule 13G filed on October 18, 2010 (the "Original Schedule 13G"), as amended by Amendment No. 1 filed on February 14, 2012 (the "Original Schedule 13G as amended, the "Schedule 13G") with respect to common stock, par value \$0.0001 (the "Shares") of the Company. Capitalized terms not otherwise defined in this Amendment have the meanings set forth in the Schedule 13G.

Item 1(a). NAME OF ISSUER

The name of the issuer is Net Element International, Inc. (the "Company").

Item 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES

The Company's principal executive offices are located at 1450 S. Miami Avenue, Miami FL 33130

Item 2(a). NAME OF PERSON FILING

This statement is filed by:

(i) North Pole Capital Master Fund ("North Pole"), a Cayman Islands exempted company, with respect to the Shares (defined in item 2(d) below) reported in this Schedule 13G/A directly beneficially owned by it; and

(ii) Polar Securities Inc. ("Polar Securities"), a company incorporated under the laws on Ontario, Canada, serving as investment advisor to North Pole with respect to the Shares reported in this Schedule 13G/A directly beneficially owned by North Pole.

The foregoing persons are hereinafter sometimes collectively referred to as the "Reporting Persons."

Item 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE

The address of the business office of each of the Reporting Persons is 401 Bay Street, Suite 1900, PO Box 19, Toronto, Ontario M5H 2Y4, Canada.

Item 2(c). CITIZENSHIP

The citizenship of each of the Reporting Persons is set forth above.

Item 2(d). TITLE OF CLASS OF SECURITIES

Common Stock, par value \$0.0001 (the "Shares")

Item 2(e). CUSIP NUMBER  
64111R102



Item 3. IF THIS STATEMENT IS FILED PURSUANT TO Rules 13d-1(b), OR 13d-2(b) OR (c), CHECK WHETHER THE PERSON FILING IS A:

(a) "Broker or dealer registered under Section 15 of the Act;

(b) "Bank as defined in Section 3(a)(6) of the Act;

(c) "Insurance company as defined in Section 3(a)(19) of the Act;

(d) "Investment company registered under Section 8 of the Investment Company Act of 1940;

(e) "An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);

(f) "An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);

(g) "A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);

(h) "A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;

(i) "A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;

(j) "A non-U.S. institution in accordance with Rule 13d-1(b)(1)(ii)(J);

(k) "Group, in accordance with Rule 13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with Rule 13d-1(b)(1)(ii)(J), please specify the type of institution: \_\_\_\_\_

Item 4. OWNERSHIP

The percentages used herein are calculated based upon 28,303,659 Shares reported to be outstanding as of February 7, 2013, as reported in the Form S-3 filed by the Company on February 12, 2013.

A. Polar Securities

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- (a) Amount beneficially owned: Warrants to purchase up to 150,000 Shares of Common Stock
- (b) Percent of class: 0.5%
- (c) (i) Sole power to vote or direct the vote: 0
  - (ii) Shared power to vote or direct the vote: Warrants to purchase up to 150,000 Shares of Common Stock
  - (iii) Sole power to dispose or direct the disposition: 0
  - (iv) Shared power to dispose or direct the disposition of: Warrants to purchase up to 150,000 Shares of Common Stock

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B. North Pole

- (a) Amount beneficially owned: Warrants to purchase up to 150,000 Shares of Common Stock
- (b) Percent of class: 0.5%
- (c) (i) Sole power to vote or direct the vote: 0
- (ii) Shared power to vote or direct the vote: Warrants to purchase up to 150,000 Shares of Common Stock
- (iii) Sole power to dispose or direct the disposition: 0
- (iv) Shared power to dispose or direct the disposition: Warrants to purchase up to 150,000 Shares of Common Stock

Item 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following [X]

Item 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

Not applicable.

Item 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY OR CONTROL PERSON

Not applicable.

Item 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

Not applicable.

Item 9. NOTICE OF DISSOLUTION OF GROUP

Not applicable.

Item 10. CERTIFICATION

Each of the Reporting Persons hereby makes the following certification:

By signing below each Reporting Person certifies that, to the best of his or its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.



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SIGNATURES

After reasonable inquiry and to the best of his or its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

DATE: February 14, 2013

polar securities inc.

/s/ Paul Sabourin  
Name: Paul Sabourin  
Title: Chief  
Investment Officer

NORTH POLE  
CAPITAL MASTER  
FUND

By: Polar Securities  
Inc., its investment  
manager

/s/ Paul Sabourin  
Name: Paul Sabourin  
Title: Chief  
Investment Officer