

Cazador Acquisition Corp Ltd.
Form S-4
June 12, 2012

As filed with the Securities and Exchange Commission on June 12, 2012

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

CAZADOR ACQUISITION CORPORATION LTD.

(Exact name of registrant as specified in its charter)

Cayman Islands* 6770 98-0668024
(State or other jurisdiction of (Primary Standard Industrial (I.R.S. Employer
incorporation or organization) Classification Code Number) Identification No.)

BBVA Building, P1

254 Muñoz Rivera Avenue

San Juan, Puerto Rico 00918

Tel: 787 993 9650

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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Francesco Piovanetti

Chairman of the Board and Chief Executive Officer

Cazador Acquisition Corporation Ltd.

BBVA Building, P1

254 Muñoz Rivera Avenue

San Juan, Puerto Rico 00918

Tel: 787 993 9650

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Yvan-Claude Pierre, Esq.	Serge V. Pavluk, Esq.
William N. Haddad, Esq.	David Schubauer, Esq.
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Approximate date of commencement of proposed sale of securities to the public: As soon as practicable after this Registration Statement is declared effective and all other conditions to the business combination described in the enclosed Proxy Statement/Prospectus, have been satisfied or waived.

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer " Accelerated filer " Non-accelerated filer " Smaller reporting company x

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, par value \$0.0001 per share ⁽¹⁾	24,481,092 ⁽²⁾	\$ 9.875	⁽³⁾ \$ 241,750,783.50	\$ 27,704.64
Common Stock ⁽⁴⁾	5,750,000	\$ 9.875	⁽³⁾ \$ 56,781,250.00	\$ 6,507.13
Warrants to Purchase Common Stock ⁽⁵⁾	N/A	N/A	N/A	N/A
Common Stock underlying Warrants ⁽⁶⁾	4,600,000	\$ 9.875	⁽³⁾ \$ 45,425,000.00	\$ 5,205.71
Total	34,831,092		\$ 343,957,033.50	\$ 39,417.48

The number of shares of common stock of Net Element International, Inc. being registered represents the estimated (1) maximum number of shares of Net Element International's common stock to be issued in connection with the proposed business combination described herein.

(2) Calculated as the product obtained by multiplying (a) the shares of common stock, par value \$0.001 per share, of Net Element, Inc. estimated to be issued and outstanding (on a fully diluted basis) immediately prior to the consummation of the merger by (b) the Exchange Ratio of 0.025 set forth in the merger agreement (as hereinafter defined). This amount also includes shares of common stock of Net Element International that may, under certain circumstances, be issued to the extent a holder of common stock of Net Element, Inc. would receive fewer than 100 shares of common stock of Net Element International as a result of the Exchange Ratio.

(3) Estimated solely for the purpose of calculating the registration fee, based on the average of the high and low prices of the ordinary shares of Cazador Acquisition Corporation Ltd. on The NASDAQ Capital Market on June 5, 2012 (\$9.875 per share), in accordance with Rule 457(f)(1).

(4) The number of shares of common stock of Net Element International being registered includes all ordinary shares of Cazador Acquisition Corporation Ltd. that are issued and outstanding upon Cazador domestication (as hereinafter defined), which shares will automatically be converted by operation of law into shares of common stock of Net Element International in the Cazador domestication.

(5) Upon effectiveness of the Cazador domestication, all outstanding warrants to acquire ordinary shares of Cazador Acquisition Corporation Ltd. will become warrants to acquire the same number of shares of Net Element International at the same price and for on same terms. No registration fee is required pursuant to Rule 457(g) under the Securities Act.

Pursuant to Rule 416, there is also being registered such indeterminable number of additional shares of common (6) stock of Net Element International as may be issued to prevent dilution resulting from share dividends, split-up, reverse split-up or similar event.

Prior the effectiveness of the business combination described herein, the Registrant intends to effect a domestication under Section 388 of the General Corporation Law of the State of Delaware and a migration under Cayman Islands *law, pursuant to which the Registrant's jurisdiction of incorporation will be changed from the Cayman Islands to the State of Delaware. In connection with the domestication and the merger, the Registrant intends to change its legal corporate name to "Net Element International, Inc."

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

PRELIMINARY — SUBJECT TO COMPLETION — DATED JUNE 12, 2012

The information in this preliminary joint proxy statement/prospectus is not complete and may be changed. The registrant may not sell the securities described herein until the registration statement filed with the Securities and Exchange Commission is declared effective. This joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

CAZADOR ACQUISITION
CORPORATION LTD. NET ELEMENT, INC.

To the Shareholders of Cazador Acquisition Corporation Ltd. and Net Element, Inc.:

Each of the respective boards of directors of Cazador Acquisition Corporation Ltd., or Cazador, and Net Element, Inc., or Net Element, have approved an agreement and plan of merger by and between Cazador and Net Element, or the merger agreement, pursuant to which Net Element will merge with and into Cazador, with Cazador as the surviving entity. The foregoing transaction is referred to in this joint proxy statement/prospectus as the merger.

As a condition to closing the merger pursuant to the terms of the merger agreement, the board of directors of Cazador has unanimously approved a change of Cazador's jurisdiction of incorporation by discontinuing as an exempted company in the Cayman Islands and continuing and domesticating as a corporation incorporated under the laws of the State of Delaware, which we refer to as the Cazador domestication. To effect the Cazador domestication, Cazador will file a notice of de-registration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and file a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of the State of Delaware, under which Cazador will be domesticated and continue as a Delaware corporation, at which time Cazador will change its name, in connection with the effectiveness of the merger, to "Net Element International, Inc." We refer to Cazador following effectiveness of the Cazador domestication as "NEI." On the effective date of the Cazador domestication, each currently issued and outstanding ordinary share, par value \$0.0001 per share, of Cazador Cayman, or Cazador Ordinary Shares, will automatically convert by operation of law, on a one-for-one basis, into shares of common stock, par value \$0.0001 per share, of NEI, or NEI Common Stock. Similarly, outstanding options, warrants and other rights to acquire Cazador Ordinary Shares will become options, warrants or rights to acquire the corresponding shares of NEI Common Stock. No other changes will be made to the terms of any outstanding options, warrants and other rights to acquire Cazador Ordinary Shares as a result of the Cazador domestication.

The Cazador domestication, together with the merger, is referred to as the business combination. Unless the context otherwise requires, in this joint proxy statement/prospectus, the term “Cazador” refers to Cazador Acquisition Corporation Ltd. as it currently exists under Cayman Islands law and as it will continue to exist under the Delaware General Corporation Law, or the DGCL, following the Cazador domestication. The term “Cazador Cayman” refers to Cazador prior to the Cazador domestication.

Prior to the effective time of the merger, each holder of outstanding securities of Net Element that are convertible into or exchangeable or exercisable for shares of common stock, par value \$0.001 per share, of Net Element, or the Net Element Common Stock, will enter into conversion agreements, pursuant to which all such outstanding securities of Net Element will be either terminated or converted into or exchanged or exercised for shares of Net Element Common Stock (in the case of outstanding Net Element stock options and warrants that are exercised, on a cashless basis); provided that certain option holders that received their options in lieu of compensation will have the ability to elect to terminate their options in exchange for cash in the amount of such compensation.

Pursuant to the terms of the merger agreement, upon completion of the merger, each share of then-issued and outstanding Net Element Common Stock (other than shares held by Net Element as treasury stock or by any of its direct or indirect wholly-owned subsidiaries, which will be cancelled upon the effectiveness of the merger, and shares with respect to which appraisal rights, to the extent available under the DGCL, are properly exercised and not withdrawn) will be automatically cancelled and converted into the right to receive the number of shares of NEI Common Stock equal to the Exchange Ratio. The Exchange Ratio initially is 0.025 shares of NEI Common Stock per share of Net Element Common Stock, which reflects a 147% premium over the last reported sale price of the Net Element Common Stock on the OTCQB electronic quotation system of \$0.10 per share on June 11, 2012. The Exchange Ratio is subject to adjustment to reflect appropriately the effect of any stock split, reverse stock split, stock dividend, extraordinary cash dividends, reorganization, recapitalization, reclassification, combination, exchange of shares or other like change. Notwithstanding the foregoing, to the extent a holder of Net Element Common Stock would receive fewer than 100 shares of NEI Common Stock as a result of the Exchange Ratio, Cazador shall have the right, exercisable in Cazador's sole and absolute discretion, to issue to any such holder an additional number of shares of NEI Common Stock so that such holder receives, in the aggregate, 100 shares of NEI Common Stock in connection with the merger. In addition, no fractional shares of NEI Common Stock will be issued in connection with the merger. Instead, Cazador will issue one share of NEI Common Stock to each holder that would otherwise be entitled to a fraction of a share of NEI Common Stock.

Immediately following the completion of the business combination (without taking into account any shares of NEI Common Stock held by Net Element shareholders prior to the completion of the business combination), the former shareholders of Net Element are expected to own approximately 80.9% of the outstanding NEI Common Stock (or 65.6% of the outstanding NEI Common Stock calculated on a fully diluted basis) and the current holders of Cazador Ordinary Shares are expected to own approximately 19.1% of the outstanding NEI Common Stock (or 34.4% of the outstanding NEI Common Stock calculated on a fully diluted basis).

The Cazador Ordinary Shares are listed on The NASDAQ Capital Market and trade under the symbol "CAZA." On _____, 2012, the latest practicable date before the printing of this proxy statement/prospectus, the last reported sale price of the Cazador Ordinary Shares on The NASDAQ Capital Market was \$ _____ per share. Cazador intends to apply to list the NEI Common Stock on The NASDAQ Capital Market under the symbol "NETE." There can be no assurance that the NEI Common Stock will be listed on The NASDAQ Capital Market.

The Net Element Common Stock is quoted on the OTCQB electronic quotation system under the symbol "NETE." On _____, 2012, the latest practicable date before the printing of this proxy statement/prospectus, the last reported sale price of the Net Element Common Stock on the OTCQB electronic quotation system was \$ _____ per share.

Completion of the merger requires, among other things, that the holders of (i) a majority of the outstanding Cazador Ordinary Shares issued in Cazador's initial public offering and not held by Cazador's Sponsor, or the Public Cazador Ordinary Shares, and (ii) a majority of the outstanding shares of Net Element Common Stock vote in favor of the approval and adoption of the merger agreement. Completion of the Cazador domestication, which is a condition to close the merger, requires that the holders of at least two-thirds of the outstanding Cazador Ordinary Shares which attend and vote at a general meeting in favor of the approval of the Cazador domestication. To obtain these required approvals, Cazador will hold a special meeting of Cazador shareholders on _____, 2012 and Net Element will hold a special meeting of Net Element shareholders on _____, 2012.

Cazador Sub Holdings Ltd, including all of Cazador's directors and executive officers (which we refer to, collectively, as the Sponsor), has agreed to vote its Cazador Ordinary Shares in the same manner as holders of the majority of the Public Cazador Ordinary Shares in connection with the votes required to approve the business combination.

Mike Zoi, Net Element's Chairman and Chief Executive Officer, owns, in combination with the holdings of entities that he controls, approximately 59.4% of the issued and outstanding Net Element Common Stock as of June 11, 2012 (67.2% assuming the exercise of options and warrants Mr. Zoi owns which are currently exercisable), and therefore holds enough shares to approve and adopt the merger agreement without the vote of any other Net Element shareholder. Mr. Zoi intends to vote his shares "FOR" the approval and adoption of the merger agreement.

Cazador is offering each holder of Public Cazador Ordinary Shares the right to have such holder's shares redeemed into cash if such holder either (i) votes against the business combination and timely exercises such redemption right or (ii) votes in favor of the business combination but elects to exercise such shareholder's right to redeem. Cazador's Sponsor and its beneficial owners will not have shareholder redemption rights with respect to any Cazador Ordinary Shares owned by them, directly or indirectly, including Cazador Ordinary Shares purchased by them in Cazador's initial public offering or in the secondary market. The actual per-share redemption price will be equal to the aggregate amount then in the trust account, and including accrued interest, net of any interest income on the trust account balance required for Cazador to pay its tax obligations incurred and net of interest income of up to \$2.0 million previously released to Cazador to fund its working capital requirements (calculated as of two business days prior to the consummation of the business combination), divided by the number of Public Cazador Ordinary Shares. As of June 11, 2012, the per-share redemption price would be approximately \$10.036. There will be no redemption rights upon the consummation of the business combination with respect to outstanding Cazador warrants.

Each holder of Public Cazador Ordinary Shares may elect to redeem his, her or its Public Cazador Ordinary Shares irrespective of whether he, she or it votes for or against the business combination. Cazador will not complete the business combination if holders of Public Cazador Ordinary Shares, owning, in the aggregate, more than 49.9% of the Public Cazador Ordinary Shares, both vote against and exercise their shareholder redemption rights with respect to the business combination. Additionally, as per the terms of the merger agreement, the merger will not be consummated unless Cazador has at least \$23.5 million of cash held in the trust account (after giving effect to payment of all holders of Public Cazador Ordinary Shares who exercise their redemption right but excluding payments to be made for transaction fees and related expenses and pay-off of related party debt). Holders of Public Cazador Ordinary Shares will be able to redeem their shares up to the business day immediately prior to the vote on the proposals to approve the business combination.

As set forth in Cazador's Second Amended and Restated Memorandum and Articles of Association, or the Cazador Cayman Charter, a holder of Public Cazador Ordinary Shares, together with any affiliate of his or any other person with whom he is acting in concert or as a partnership, syndicate or other group for the purpose of acquiring, holding or disposing of Cazador Cayman's securities, will be prohibited from exercising shareholder redemption rights with respect to more than 10% of the Public Cazador Ordinary Shares.

Cazador may enter into privately negotiated transactions to purchase shares of NEI Common Stock from its public shareholders using proceeds released from the trust account immediately following consummation of the transactions contemplated by the merger agreement.

CAZADOR'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE IN FAVOR OF THE PROPOSAL TO APPROVE AND ADOPT THE MERGER AGREEMENT.

CAZADOR'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE IN FAVOR OF THE PROPOSAL TO APPROVE THE CAZADOR DOMESTICATION.

NET ELEMENT'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE IN FAVOR OF THE PROPOSAL TO APPROVE AND ADOPT THE MERGER AGREEMENT.

Information about the special meetings, the transactions contemplated by the merger agreement and the other business to be considered by Cazador shareholders and Net Element shareholders is contained in this document and the documents incorporated by reference, which we urge you to read carefully. **In particular, see "Risk Factors" beginning on page 38.**

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Your vote is very important. Whether or not you plan to attend the special meeting of Cazador shareholders or the special meeting of Net Element shareholders, as applicable, please submit a proxy to vote your shares as soon as possible to make sure your shares are represented at the applicable special meeting. Your failure to vote will have the same effect as voting against the various proposals.

Sincerely,

/s/ Francesco Piovanetti

Francesco Piovanetti

Chairman of the Board, Chief Executive

Officer, President and Chief Financial Officer

Cazador Acquisition Corporation Ltd.

Sincerely,

/s/ Mike Zoi

Mike Zoi

Chief Executive Officer

Net Element, Inc.

Neither the Securities Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The accompanying joint proxy statement/prospectus is dated _____, 2012 and is first being mailed or otherwise delivered to Cazador shareholders and Net Element shareholders on or about _____, 2012.

Cazador Acquisition Corporation Ltd.
BBVA Building, P1

254 Muñoz Rivera Avenue

San Juan, Puerto Rico 00918

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

to be held on _____, 2012

To Our Shareholders:

A special meeting of shareholders of Cazador Acquisition Corporation Ltd. (“Cazador”) will be held at _____ on _____, 2012, at _____ a.m., Eastern time (the “Cazador special meeting”). The purposes of the Cazador special meeting are to vote on the following matters and to transact such other business that may properly come before the Cazador special meeting:

1. Approve and adopt the Agreement and Plan of Merger, dated as of June 12, 2012, between Cazador and Net Element, Inc. (“Net Element”), as it may be amended (the “merger agreement”), a copy of which is attached to the accompanying joint proxy statement/prospectus as Annex A. The board of directors of Cazador (the “Cazador board”) recommends a vote “FOR” this proposal.
2. Approve the change of Cazador’s jurisdiction of incorporation by discontinuing as an exempted company in the Cayman Islands and continuing and domesticating as a corporation incorporated under the laws of the State of Delaware (the “Cazador domestication” and with the merger contemplated by the merger agreement, the “business combination”). The Cazador board recommends a vote “FOR” this proposal.
3. Approve one or more adjournments of the Cazador special meeting (including, if necessary, to solicit additional proxies because there are not sufficient votes to approve and adopt the merger agreement and/or approve the Cazador domestication). The Cazador board recommends a vote “FOR” this proposal.
4. Transact any other business that may properly come before the Cazador special meeting.

The Cazador board has fixed _____, 2012 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Cazador special meeting or one or more adjournments thereof. Only holders of record of ordinary shares, par value \$0.0001 per share, of Cazador (“Cazador Ordinary Shares”) at the close of business on _____, 2012 are entitled to notice of, and to vote at, the Cazador special meeting or one or more adjournments or postponements thereof.

Cazador is offering each holder of Public Cazador Ordinary Shares the right to have such holder's shares redeemed into cash if such holder either (i) votes against the business combination and timely exercises such redemption right or (ii) votes in favor of the business combination but elects to exercise such shareholder's right to redeem. CAZADOR SUB HOLDINGS LTD. ("Cazador's Sponsor") and its beneficial owners will not have shareholder redemption rights with respect to any Cazador Ordinary Shares owned by them, directly or indirectly, including Cazador Ordinary Shares purchased by them in Cazador's initial public offering or in the secondary market. The actual per-share redemption price will be equal to the aggregate amount then in the trust account, and including accrued interest, net of any interest income on the trust account balance required for Cazador to pay its tax obligations incurred and net of interest income of up to \$2.0 million previously released to Cazador to fund its working capital requirements (calculated as of two business days prior to the consummation of the business combination), divided by the number of Public Cazador Ordinary Shares. As of JUNE 11, 2012, the per-share redemption price would be approximately \$10.036. There will be no redemption rights upon the consummation of the merger agreement with respect to outstanding Cazador warrants.

Cazador and Net Element will consummate the merger contemplated by the merger agreement only if, among other conditions, the holders of (i) a majority of the outstanding Cazador Ordinary Shares issued in Cazador's initial public offering and not held by Cazador's Sponsor ("Public Cazador Ordinary Shares") and (ii) a majority of the outstanding shares of common stock, par value \$0.001 per share of Net Element ("Net Element Common Stock") vote in favor of the approval and adoption of the merger agreement. Cazador will effect the Cazador domestication (as described in the accompanying joint proxy statement/prospectus), which is a condition to close the merger, only if the holders of at least two-thirds of the outstanding Cazador Ordinary Shares which attend and vote at the Cazador special meeting in favor of the approval of the Cazador domestication.

Cazador's Sponsor has agreed to vote its Cazador Ordinary Shares in the same manner as holders of the majority of the Public Cazador Ordinary Shares in connection with the votes required to approve the business combination.

Mike Zoi, Net Element's Chairman and Chief Executive Officer, owns, in combination with the holdings of entities that he controls, approximately 59.4% of the issued and outstanding Net Element Common Stock as of June 11, 2012 (67.2% assuming the exercise of options and warrants Mr. Zoi owns which are currently exercisable), and therefore holds enough shares to approve and adopt the merger agreement without the vote of any other Net Element shareholder. Mr. Zoi intends to vote his shares "FOR" the approval and adoption of the merger agreement.

Each holder of Public Cazador Ordinary Shares may elect to redeem his, her or its Public Cazador Ordinary Shares irrespective of whether he, she or it votes for or against the business combination. Cazador will not complete the business combination if holders of Public Cazador Ordinary Shares, owning, in the aggregate, more than 49.9% of the Public Cazador Ordinary Shares, both vote against and exercise their shareholder redemption rights with respect to the business combination. Additionally, as per the terms of the merger agreement, the merger will not be consummated unless Cazador has at least \$23.5 million of cash held in the trust account (after giving effect to payment of all holders of Public Cazador Ordinary Shares who exercise their redemption right but excluding payments to be made for transaction fees and related expenses and pay-off of related party debt). Holders of Public Cazador Ordinary Shares

will be able to redeem their shares up to the business day immediately prior to the vote on the proposals to approve the business combination.

As set forth in Cazador's Second Amended and Restated Memorandum and Articles of Association, a holder of Public Cazador Ordinary Shares, together with any affiliate of his or any other person with whom he is acting in concert or as a partnership, syndicate or other group for the purpose of acquiring, holding or disposing of Cazador Cayman's securities, will be prohibited from exercising shareholder redemption rights with respect to more than 10% of the Public Cazador Ordinary Shares.

Cazador may enter into privately negotiated transactions to purchase shares from its public shareholders using proceeds released from the trust account immediately following consummation of the transactions contemplated by the merger agreement.

For more information about the proposals and the Cazador special meeting, please review carefully the accompanying joint proxy statement/prospectus.

Your vote is important. Whether or not you expect to attend the Cazador special meeting in person, please submit a proxy by telephone or over the internet as instructed in these materials, or complete, date, sign and return the enclosed proxy card, as promptly as possible in order to ensure that we receive your proxy with respect to your Cazador Ordinary Shares. Instructions are shown on the enclosed proxy card and a return envelope (postage pre-paid if mailed in the United States) is enclosed for your convenience. If your Cazador Ordinary Shares are held in a stock brokerage account or by a bank or other nominee, please follow the instructions that you receive from your broker, bank or other nominee to vote your shares.

If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be voted in favor of the approval and adoption of the merger agreement, in favor of the Cazador domestication and in favor of the proposal to adjourn the meeting if necessary to solicit additional proxies. If you fail to return your proxy card or fail to submit your proxy by telephone or over the internet, or fail to instruct your broker how to vote, and do not attend the Cazador special meeting in person, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the Cazador special meeting and, if a quorum is present, will have the same effect as a vote against the approval and adoption of the merger agreement. If you are a shareholder of record and you attend the Cazador special meeting and wish to vote in person, you may withdraw your proxy and vote in person.

By Order of the Board of Directors,

Secretary

San Juan, Puerto Rico
, 2012

NET ELEMENT, INC.
1450 S. Miami Avenue

Miami, Florida 33130

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

to be held on _____, 2012

To Our Shareholders:

A special meeting of shareholders of Net Element, Inc. (“Net Element”) will be held at _____ on _____, 2012, at _____ a.m., Eastern time (the “Net Element special meeting”). The purposes of the Net Element special meeting are to vote on the following matters and to transact such other business that may properly come before the Net Element special meeting:

1. Approve and adopt the Agreement and Plan of Merger, dated as of June 12, 2012, between Cazador Acquisition Corporation Ltd. and Net Element, as it may be amended (the “merger agreement”), a copy of which is attached to the accompanying joint proxy statement/prospectus as Annex A. The board of directors of Net Element (the “Net Element board”) recommends a vote “FOR” this proposal.
2. Approve one or more adjournments of the Net Element special meeting. The Net Element board recommends a vote “FOR” this proposal.
3. Transact such other business that may properly come before the Net Element special meeting.

The Net Element board has fixed _____, 2012 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Net Element special meeting or one or more adjournments thereof. Only holders of record of ordinary shares, par value \$0.0001 per share, of Net Element (“Net Element Common Stock”) at the close of business on _____, 2012 are entitled to notice of, and to vote at, the Net Element special meeting or one or more adjournments or postponements thereof.

Cazador and Net Element will consummate the merger contemplated by the merger agreement only if, among other conditions, the holders of (i) a majority of the outstanding ordinary shares, par value \$0.0001 per share, of Cazador (“Cazador Ordinary Shares”) issued in Cazador’s initial public offering and not held by Cazador Sub Holdings Ltd. (“Cazador’s Sponsor”) (“Public Cazador Ordinary Shares”) and (ii) a majority of the outstanding shares of Net Element Common Stock vote in favor of the approval and adoption of the merger agreement. Cazador will effect the Cazador domestication (as described in the accompanying joint proxy statement/prospectus), which is a condition to close the merger, only if the holders of at least two-thirds of the outstanding Cazador Ordinary Shares which attend and vote at the Cazador special meeting in favor of the approval of the Cazador domestication.

Cazador’s Sponsor has agreed to vote its Cazador Ordinary Shares in the same manner as holders of the majority of the Public Cazador Ordinary Shares in connection with the votes required to approve the business combination.

Mike Zoi, Net Element's Chairman and Chief Executive Officer, owns, in combination with the holdings of entities that he controls, approximately 59.4% of the issued and outstanding Net Element Common Stock as of June 11, 2012 (67.2% assuming the exercise of options and warrants Mr. Zoi owns which are currently exercisable), and therefore holds enough shares to approve and adopt the merger agreement without the vote of any other Net Element shareholder. Mr. Zoi intends to vote his shares "FOR" the approval and adoption of the merger agreement.

For more information about the proposals and the Net Element special meeting, please review carefully the accompanying joint proxy statement/prospectus.

Your vote is important. Whether or not you expect to attend the Net Element special meeting in person, please submit a proxy by telephone or over the internet as instructed in these materials, or complete, date, sign and return the enclosed proxy card, as promptly as possible in order to ensure that we receive your proxy with respect to your shares of Net Element Common Stock. Instructions are shown on the enclosed proxy card and a return envelope (postage pre-paid if mailed in the United States) is enclosed for your convenience. If your shares of Net Element Common Stock are held in a stock brokerage account or by a bank or other nominee, please follow the instructions that you receive from your broker, bank or other nominee to vote your shares.

If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be voted in favor of the approval and adoption of the merger agreement and in favor of the proposal to adjourn the meeting if necessary to solicit additional proxies. If you fail to return your proxy card or fail to submit your proxy by telephone or over the internet, or fail to instruct your broker how to vote, and do not attend the Net Element special meeting in person, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the Net Element special meeting and, if a quorum is present, will have the same effect as a vote against the approval and adoption of the merger agreement. If you are a shareholder of record and you attend the Net Element special meeting and wish to vote in person, you may withdraw your proxy and vote in person.

Please do not send documents or certificates representing your ownership of Net Element Common Stock at this time. If the transactions contemplated by the merger agreement are consummated, we will notify you of the procedures for exchanging your shares of Net Element Common Stock.

By Order of the Board of Directors,

Secretary

Miami, Florida
, 2012

REFERENCES TO ADDITIONAL INFORMATION

The accompanying joint proxy statement/prospectus incorporates important business and financial information about Cazador and Net Element from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available for you to review at the Securities and Exchange Commission's, or SEC's, public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website, www.sec.gov. You can also obtain those documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing, by telephone or by email from the appropriate company at the following addresses, telephone numbers and email addresses:

CAZADOR ACQUISITION NET ELEMENT, INC.
CORPORATION LTD. 1450 S. Miami Avenue
BBVA Building, P1 Miami, Florida 33130
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In addition, if you have questions about the transactions described herein or the special meetings, or if you need to obtain copies of the accompanying joint proxy statement/prospectus, proxy cards, election forms or other documents incorporated by reference in the joint proxy statement/prospectus, you may contact the appropriate contact listed above. You will not be charged for any of the documents you request.

If you would like to request documents, please do so by _____, 2012,
in order to receive them before the applicable special meeting.

For a more detailed description of the information incorporated by reference in the accompanying joint proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" beginning on page 241 of the accompanying joint proxy statement/prospectus.

FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents that are incorporated into this joint proxy statement/prospectus by reference may contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. You can typically identify forward-looking statements by the use of forward-looking words, such as “may,” “will,” “could,” “project,” “believe,” “anticipate,” “expect,” “estimate,” “continue,” “plan,” “forecast” and other similar words. These include, but are not limited to, statements relating to the synergies and the benefits that we expect to achieve in the transactions discussed herein, including future financial and operating results, the combined company’s plans, objectives, expectations and intentions and other statements that are not historical facts. Those statements represent the intentions, plans, expectations, assumptions and beliefs of Cazador and Net Element about future events and are subject to risks, uncertainties and other factors. Many of those factors are outside the control of Cazador and Net Element, and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. In addition to the risk factors described under “Risk Factors” beginning on page 38, those factors include:

possible delays in closing the business combination whether due to the inability to obtain shareholder or regulatory approval, Cazador’s not having at least \$23.5 million of cash upon consummation of the merger held in the trust account, or otherwise ;

the ability to integrate Cazador’s or Net Element’s businesses and operations;

the benefits of and the acquisition of Cazador and Net Element, including the prospects of the combined businesses, anticipated synergies and cost savings;

anticipated growth and growth strategies;

the need for additional capital and the availability of financing;

the combined company’s ability to successfully manage relationships with customers, distributors and other important relationships;

the combined company’s ability to integrate the management team and employees;

the loss of key personnel or expenditure of a greater amount of resources attracting, retaining and motivating key personnel than in the past;

the compatibility of business cultures;

technological changes;

pricing and availability of products and services;

demand for the combined company's products and services;

- competition;
- the deterioration of general economic conditions, either nationally or in the local markets in which we operate;
- legislative or regulatory changes that may adversely affect the combined company's business;
- costs related to the business combination that may reduce Cazador's working capital;
- the inability of Cazador to list the NEI Common Stock on The NASDAQ Capital Market; and
- Cazador's dissolution and liquidation as a result of a failure to close the business combination.

The forward-looking statements are based on current expectations about future events. Although Cazador believes that the expectations reflected in the forward-looking statements are reasonable, these expectations may not be achieved. Cazador is under no duty to update any of the forward-looking statements after the date of this joint proxy statement/prospectus to conform those statements to actual results. In evaluating these statements, you should consider various factors, including the risks outlined in the section entitled "Risk Factors" beginning on page 38.

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QUESTIONS AND ANSWERS

The following questions and answers are intended to address briefly some commonly asked questions regarding the transactions contemplated by the business combination and the special meetings of Cazador and Net Element. These questions and answers may not address all questions that may be important to you as a shareholder. To better understand these matters, and for a description of the legal terms governing the transactions contemplated by the business combination, you should carefully read this entire joint proxy statement/prospectus, including the annexes, as well as the documents that have been incorporated by reference in this joint proxy statement/prospectus. See “Where You Can Find More Information” beginning on page 241. Unless the context otherwise requires, in this joint proxy statement/prospectus, the term “Cazador” refers to Cazador Acquisition Corporation Ltd. as it currently exists under Cayman Islands law and as it will continue to exist under the DGCL following the Cazador domestication; the term “Cazador Cayman” refers to Cazador prior to the Cazador domestication; the term “NEI” refers to Cazador following effectiveness of the Cazador domestication; all references in this joint proxy statement/prospectus to “Net Element” refer to Net Element, Inc., a Delaware corporation; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to “we” refer to Cazador and Net Element; all references to the “merger agreement” refer to the Agreement and Plan of Merger, dated as of June 12, 2012, as it may be amended from time to time, between Cazador and Net Element, a copy of which is attached as Annex A to this joint proxy statement/prospectus; and all references to the “Cazador Cayman Charter” refer to Cazador’s Second Amended and Restated Memorandum and Articles of Association, a copy of which is attached as Annex B to this joint proxy statement/prospectus.

General Questions and Answers

Q: Why am I receiving this joint proxy statement/prospectus?

A: Cazador is proposing to acquire Net Element pursuant to the merger agreement. Cazador and Net Element have entered into the merger agreement pursuant to which Net Element will merge with and into Cazador, with Cazador as the surviving entity. As a condition to closing the merger pursuant to the terms of the merger agreement, Cazador is proposing to change its jurisdiction of incorporation by discontinuing as an exempted company in the Cayman Islands and continuing and domesticating as a corporation incorporated under the laws of Delaware, at which time Cazador will change its name, in connection with the effectiveness of the merger, to “Net Element International, Inc.” As a result of the merger, former Net Element shareholders will own NEI Common Stock. Cazador intends to apply to list the NEI Common Stock on The NASDAQ Capital Market. There can be no assurance that the NEI Common Stock will be listed on The NASDAQ Capital Market.

Cazador is holding a special meeting of shareholders, which we refer to as the Cazador special meeting, in order to obtain the shareholder approval necessary to approve and adopt the merger agreement and the merger contemplated thereby, which we refer to as the Cazador merger approval. Pursuant to the terms of the merger agreement, Cazador

shareholders will also be asked to approve the Cazador domestication, which we refer to as the Cazador domestication proposal, and, together with the Cazador merger approval, as the Cazador business combination approval. In addition, Cazador shareholders will be asked to approve the adjournment of the Cazador special meeting (if it is necessary or appropriate to solicit additional proxies because there are not sufficient votes to obtain the Cazador business combination approval).

Net Element is holding a special meeting of shareholders, which we refer to as the Net Element special meeting, in order to obtain the shareholder approval necessary to approve and adopt the merger agreement and the merger contemplated thereby, which we refer to as the Net Element business combination approval. In addition, Net Element shareholders will be asked to approve the adjournment of the Net Element special meeting.

We will be unable to complete the business combination unless both the Cazador business combination approval and the Net Element business combination approval are obtained at the respective special meetings and the continuance to Delaware is approved.

We have included elsewhere in this joint proxy statement/prospectus important information about the business combination, the merger agreement (a copy of which is attached as Annex A) and the Cazador and Net Element special meetings. You should read this information carefully and in its entirety. The enclosed voting materials allow you to vote your shares without attending the applicable special meeting.

Your vote is important. You are encouraged to vote as soon as possible after carefully reviewing this joint proxy statement/prospectus.

Q: What equity stake will current Net Element shareholders and current Cazador shareholders hold in Cazador immediately after the consummation of the business combination?

A: Immediately following the completion of the business combination (without taking into account any shares of NEI Common Stock held by Net Element shareholders prior to the completion of the business combination), the former shareholders of Net Element are expected to own approximately 80.9% of the outstanding NEI Common Stock (or 65.6% of the outstanding NEI Common Stock calculated on a fully diluted basis) and the current holders of Cazador Ordinary Shares are expected to own approximately 19.1% of the outstanding NEI Common Stock (or 34.4% of the outstanding NEI Common Stock calculated on a fully diluted basis).

Q: What conditions must be satisfied to complete the business combination?

A: Cazador and Net Element are not required to complete the business combination unless a number of conditions are satisfied or waived. These conditions include, among others: (i) receipt of both the Cazador business combination approval and the Net Element business combination approval; (ii) completion of the Cazador domestication; (iii) absence of any injunctions, orders or laws that would prohibit, restrain or make illegal the merger; (iv) effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a

part, and the absence of any stop order; (v) the holders of Public Cazador Ordinary Shares, owning, in the aggregate, more than 49.9% of the Public Cazador Ordinary Shares, must not both vote against and exercise their shareholder redemption rights with respect to the business combination; and (vi) Cazador's having at least \$23.5 million of cash held in the trust account (after giving effect to payment of all holders of Public Cazador Ordinary Shares who exercise their redemption right but excluding payments to be made for transaction fees and related expenses and pay-off of related party debt).

For a more complete summary of the conditions that must be satisfied or waived prior to completion of the business combination, see “The Merger Agreement — Description of the Merger Agreement — Conditions to the Closing of the Merger” beginning on page 197.

Q: When do you expect the business combination to be completed?

A: Cazador and Net Element are working to complete the business combination as quickly as possible, and we anticipate that it will be completed in the third quarter of 2012. However, the business combination is subject to various regulatory approvals and other conditions which are described in more detail in this joint proxy statement/prospectus, and it is possible that factors outside the control of Cazador and Net Element could result in the business combination not being completed at all.

Q: What are my U.S. federal income tax consequences as a result of the merger?

A: As a condition to the completion of the merger, each of Reed Smith LLP, or Reed Smith, tax counsel to Cazador, and Bilzin Sumberg Baena Price & Axelrod LLP, or Bilzin, tax counsel to Net Element, must have delivered an opinion, dated the closing date of the merger, to the effect that the merger will be treated as a reorganization for U.S. federal income tax purposes within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. Assuming that the merger qualifies as a reorganization, Net Element shareholders will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of Net Element Common Stock for shares of NEI Common Stock in the merger.

The tax opinions regarding the merger will not address any state, local or foreign tax consequences of the merger. The opinions will be subject to customary qualifications and assumptions, including that the merger will be completed according to the terms of the merger agreement. In rendering the tax opinions, each counsel will require and rely on representations and statements of Net Element, Cazador and their affiliates, which will be delivered at the time of the closing of the merger. If any such assumption, representation or statement is or becomes inaccurate, the U.S. federal income tax consequences of the merger could be adversely affected.

An opinion of counsel represents such counsel’s best legal judgment but is not binding on the Internal Revenue Service, or IRS, or any court. Neither Net Element nor Cazador intends to request any ruling from the IRS as to the U.S. federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences described in this joint proxy statement/prospectus or any of the tax consequences described in the tax opinions.

Tax matters are very complicated, and the tax consequences of the merger to a particular shareholder will depend on such shareholder's circumstances. Accordingly, you are strongly urged to consult your tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws. For a more complete discussion of the material U.S. federal income tax consequences of the merger, see "Material U.S. Federal Income Tax Consequences – Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 189.

Q: What happens if I sell my Cazador Ordinary Shares or Net Element Common Stock before the applicable special meeting?

A: The record dates for the Net Element special meeting, which we refer to as the Net Element record date, and for the Cazador special meeting, which we refer to as the Cazador record date, are earlier than the date of the special meetings and the date that the business combination is expected to be completed. If you transfer your shares after the applicable record date, but before the applicable special meeting, unless the transferee requests a proxy, you will retain your right to vote at such special meeting, but will have transferred the right to receive the merger consideration, in the case of Net Element shareholders, in the merger. In order to receive the merger consideration, holders of Net Element Common Stock must hold their shares through completion of the merger.

Q: What happens if I sell my shares of Net Element Common Stock after the Net Element special meeting, but before the effective time of the merger?

A: If you transfer your shares of Net Element Common Stock after the Net Element special meeting, but before the effective time of the merger, you will have transferred the right to receive the merger consideration in the merger. In order for holders of Net Element Common Stock to receive the merger consideration, such holders must hold their shares through completion of the merger.

Q: What if I hold shares in both Cazador and Net Element?

A: If you are a shareholder of both Cazador and Net Element, you will receive two separate packages of proxy materials. A vote as a Net Element shareholder for the proposal to approve and adopt the merger agreement will not constitute a vote as a Cazador shareholder for the proposal to approve and adopt the merger agreement, or vice versa. **THEREFORE, PLEASE MARK, SIGN, DATE AND RETURN ALL PROXY CARDS THAT YOU RECEIVE, WHETHER FROM CAZADOR OR NET ELEMENT, OR SUBMIT A PROXY AS BOTH A CAZADOR AND NET ELEMENT SHAREHOLDER OVER THE INTERNET OR BY TELEPHONE.**

Q: My shares are held in “street name” by my broker. Will my broker automatically vote my shares for me?

A: No. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the “beneficial holder” of the shares held for you in what is known as “street name.” If this is the case, this joint proxy statement/prospectus has been forwarded to you by your brokerage firm, bank or other nominee, or its agent. As the beneficial holder, you have the right to direct your broker, bank or other nominee as to how to vote your shares. If you

do not provide voting instructions to your broker on a particular proposal on which your broker does not have discretionary authority to vote, your shares will not be voted on that proposal. This is called a “broker non-vote.”

Cazador believes that under Cayman Islands law, broker non-votes should be counted for purposes of determining the presence or absence of a quorum at the Cazador special meeting. Furthermore, under the rules of the NYSE, brokers, banks and other nominees that are members of the NYSE do not have discretionary authority to vote on non-routine proxy statement proposals, including the proposals to approve the business combination at the special meetings. Accordingly, to the extent that there are any broker non-votes, a broker non-vote will have the same effect as a vote “AGAINST” the proposal to approve and adopt the merger agreement but will have no effect on the other proposals.

Net Element believes that, under the DGCL, broker non-votes will be counted for purposes of determining the presence of a quorum at the Net Element special meeting. As noted in the previous paragraph, however, brokers, banks and other nominees that are members of the NYSE do not have discretionary authority to vote on non-routine proxy statement proposals, including the proposals to approve the business combination at the special meetings. To the extent that there are any broker non-votes, a broker non-vote will have the same effect as a vote “AGAINST” the proposal to approve and adopt the merger agreement but will have no effect on the other proposals.

Q: What do I need to do now?

A: Read and consider the information contained in this joint proxy statement/prospectus carefully, and then please vote your shares as soon as possible so that your shares may be represented at your special meeting.

Q: How do I vote?

A: You can vote in person by completing a ballot at the special meeting, or you can vote by proxy before the special meeting. Even if you plan to attend your company’s special meeting, we encourage you to vote your shares by proxy as soon as possible. After carefully reading and considering the information contained in this joint proxy statement/prospectus, please submit your proxy by telephone or over the Internet in accordance with the instructions set forth on the enclosed proxy card, or mark, sign and date the proxy card, and return it in the enclosed postage-paid envelope as soon as possible so that your shares may be voted at your company’s special meeting. For detailed information, see “The Special Meeting of Cazador Shareholders — How to Vote” beginning on page 150 and “The Special Meeting of Net Element Shareholders — How to Vote” beginning on page 159. **YOUR VOTE IS VERY IMPORTANT.**

Q: Can I change my vote after I have submitted a proxy by telephone or over the Internet or submitted my completed proxy card?

A: Yes. If you are a shareholder of record, you can change your vote by revoking your proxy at any time before it is voted at the Cazador or Net Element special meeting, as applicable. You can do this in one of four ways: (1) submit a proxy again by telephone or over the Internet prior to midnight on the night before the special meeting; (2) sign another proxy card with a later date and return it by mail prior to midnight on the night before the special meeting; (3) attend the applicable special meeting and complete a ballot; or (4) send a written notice of revocation to the secretary of Cazador or Net Element, as applicable, so that it is received prior to midnight on the night before the Cazador or Net Element special meeting, as applicable.

If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

Q: What should shareholders do if they receive more than one set of voting materials for a special meeting?

A: You may receive more than one set of voting materials for a special meeting, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. Please complete, sign, date and return each proxy card and voting instruction card that you receive. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card.

Q: Who should I call if I have questions about the proxy materials or voting procedures?

A: If you have questions about the business combination, or if you need assistance in submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact the company in which you hold shares as follows:

If you are a Cazador shareholder, you should contact Cazador Acquisition Corporation Ltd., by mail at BBVA Building, P1, 254 Muñoz Rivera Avenue, San Juan, Puerto Rico 00918, Attention: Jorge De Jesus, by telephone at (787) 993-9650, or by email at jdj@cazador1.com.

If you are a Net Element shareholder, you should contact Net Element by mail at 1450 S. Miami Avenue, Miami, Florida 33130, Attention: Jonathan New, by telephone at (305) 507-8808, or by email at jn@netelement.com.

Alternatively, you may contact _____ by mail at _____, by telephone at _____, or by email at _____.

If your shares are held in a stock brokerage account or by a bank or other nominee, you should contact your broker, bank or other nominee for additional information.

Questions and Answers for Cazador Shareholders

Q: Why is Cazador proposing the merger?

A: Cazador is proposing to acquire Net Element pursuant to the merger agreement.

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Cazador is a recently organized blank check company incorporated as a Cayman Islands exempted company for the purpose of effecting a merger, share capital exchange, asset acquisition, share purchase, reorganization or similar business combination. Cazador's business plan is not limited to a particular industry, geographic region or minimum transaction value for purposes of consummating an initial business combination, except that its initial business combination must be with one or more target businesses whose fair market value, individually or collectively, is equal to at least 80% of the balance in the trust account at the time of such initial business combination plus any amounts previously distributed to Cazador shareholders who have exercised their shareholder redemption rights.

Cazador determined that the fair market value of Net Element is approximately \$97.7 million (based on the aggregate shares of Net Element Common Stock to be acquired by Cazador in the merger multiplied by the last reported sale price per share of Net Element Common Stock on the OTCQB electronic quotation system on June 11, 2012). Because the balance of the Cazador trust account was approximately \$46.2 million as of June 11, 2012, Cazador concluded that the fair market value of Net Element is greater than 80% of the balance of the Cazador trust account.

On October 14, 2010, Cazador closed its initial public offering of 4,600,000 units (including 600,000 units subject to the underwriters' over-allotment option which were exercised on October 14, 2010). Each unit consisted of one ordinary share, par value \$0.001, and one warrant. The units were sold at an offering price of \$10.00, generating gross proceeds to Cazador of approximately \$46.0 million. Prior to Cazador's initial public offering, it sold an aggregate of 4,340,000 warrants to Cazador's Sponsor in a private placement for a purchase price of \$0.50 per warrant, generating total proceeds of approximately \$2.2 million to Cazador. After deducting the underwriting discounts and commissions and Cazador's initial public offering expenses, the total net proceeds to Cazador from the initial public offering and private placement were approximately \$46.5 million, of which approximately \$46.2 million was deposited into a trust account, with the remaining proceeds being used to provide for business, legal and accounting due diligence and advisory fees in connection with prospective business combinations, compliance with securities laws and regulations, and continuing general and administrative expenses.

In accordance with the Cazador Cayman Charter (which is included as Annex B to this joint proxy statement/prospectus and incorporated by reference), if Cazador was unable to complete a business combination by April 14, 2012, Cazador would be required to repurchase all of the Public Cazador Ordinary Shares and liquidate the trust account and distribute the proceeds pro rata to the holders of Public Cazador Ordinary Shares in return for such shares (which will be subsequently cancelled upon completion of the redemption of such shares). On March 28, 2012, Cazador filed a Form 8-K with the SEC in which it announced that it had entered into a non-binding letter of intent with respect to an initial business combination. Pursuant to the Cazador Cayman Charter, the execution of the letter of intent affords the Company a six-month extension for the completion of its initial business combination until October 14, 2012.

See "The Business Combination — Recommendation of the Cazador Board; Cazador's Reasons for the Business Combination."

Q: Why is Cazador proposing the Cazador domestication?

A: It is a condition to close the merger pursuant to the terms of the merger agreement that Cazador change its jurisdiction of incorporation from the Cayman Islands to Delaware, referred to as the Cazador domestication. To effect the Cazador domestication, Cazador will file a notice of de-registration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and file a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of Delaware, under which Cazador will be domesticated and continue as a Delaware corporation, at which time Cazador will change its name, in connection with the effectiveness of the merger, to “Net Element International, Inc.” The Cazador domestication requires the approval of the holders of at least two-thirds of the outstanding Cazador Ordinary Shares which attend and vote at the Cazador special meeting.

Q: What are my U.S. federal income tax consequences as a result of the Cazador domestication?

A: In the opinion of Reed Smith, tax counsel to Cazador, the Cazador domestication will constitute a reorganization within the meaning of Section 368(a)(1)(F) of the Code. Assuming that the Cazador domestication qualifies as a reorganization, U.S. holders (as defined in “Material U.S. Federal Income Tax Consequences” below) of Cazador Ordinary Shares will be subject to Section 367(b) of the Code and, as a result:

A U.S. holder of Cazador Ordinary Shares whose Cazador Ordinary Shares have a fair market value of less than \$50,000 on the day of the Cazador domestication will not recognize any gain or loss and will not be required to include any part of the “all earnings and profits amount” in income.

A U.S. holder of Cazador Ordinary Shares whose Cazador Ordinary Shares have a fair market value of \$50,000 or more but who on the day of the Cazador domestication owns (actually and constructively) less than 10% of the total combined voting power of all classes of Cazador Cayman shares entitled to vote generally will recognize gain (but not loss) on the exchange of Cazador Ordinary Shares for NEI Common Stock pursuant to the Cazador domestication. As an alternative to recognizing gain, however, a U.S. holder may elect to include in income as a dividend the “all earnings and profits amount,” as the term is defined in Treasury Regulation Section 1.367(b)-2(d), attributable to the Cazador Ordinary Shares it directly owns, provided certain requirements are satisfied. Cazador does not expect that Cazador Cayman's cumulative earnings and profits will be greater than zero as of the day of the Cazador domestication.

A U.S. holder of Cazador Ordinary Shares whose Cazador Ordinary Shares have a fair market value of \$50,000 or more, and who on the day of the Cazador domestication owns (actually and constructively) 10% or more of the total combined voting power of all classes of Cazador Cayman shares entitled to vote generally will be required to include in income as a dividend the “all earnings and profits amount,” as the term is defined in Treasury Regulation Section 1.367(b)-2(d), attributable to the Cazador Ordinary Shares it directly owns. However, Cazador does not expect that

Cazador Cayman's cumulative earnings and profits will be greater than zero as of the day of the Cazador domestication.

Cazador Cayman should be considered a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes. As a result, notwithstanding the foregoing U.S. federal income tax consequences of the Cazador domestication, proposed Treasury regulations under Section 1291(f) of the Code (which have a retroactive effective date), if finalized in their current form, generally would require a U.S. holder to recognize gain on the exchange of Cazador Ordinary Shares for NEI Common Stock pursuant to the Cazador domestication. The tax on any such gain so recognized would be imposed at the rate applicable to ordinary income and an interest charge would apply based on a complex set of computational rules designed to offset the tax deferral to such holders on the undistributed earnings, if any, of Cazador Cayman. However, we are unable to predict at this time whether, in what form, and with what effective date, final Treasury regulations under Section 1291(f) of the Code will be adopted. For a more complete discussion of the potential application of the PFIC rules to U.S. holders as a result of the Cazador domestication, see “Material U.S. Federal Income Tax Consequences – Material U.S. Federal Income Tax Consequences of the Cazador Domestication – Passive Foreign Investment Company Considerations” beginning on page 193.

Additionally, the Cazador domestication may cause non-U.S. holders (as defined in “Material U.S. Federal Income Tax Consequences” below) to become subject to U.S. withholding taxes on any dividends in respect of the shares of NEI Common Stock made subsequent to the Cazador domestication.

The tax opinion regarding the Cazador domestication will not address any state, local or foreign tax consequences of the Cazador domestication. The opinions will be subject to customary qualifications and assumptions, including that the Cazador domestication will be completed as described herein. In rendering the tax opinion, Reed Smith will require and rely on representations and statements of Cazador and their affiliates, which will be delivered at the time of the closing of the Cazador domestication. If any such assumption, representation or statement is or becomes inaccurate, the U.S. federal income tax consequences of the Cazador domestication could be adversely affected.

An opinion of counsel represents such counsel’s best legal judgment but is not binding on the IRS or any court. Cazador does not intend to request any ruling from the IRS as to the U.S. federal income tax consequences of the Cazador domestication. Consequently, no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences set forth in this joint proxy statement/prospectus or any of the tax consequences described in the tax opinion.

Tax matters are very complicated, and the tax consequences of the Cazador domestication to a particular shareholder will depend on such shareholder’s circumstances. Accordingly, you are strongly urged to consult your tax advisor for a full understanding of the tax consequences of the Cazador domestication to you, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws. For a more complete discussion of the material U.S. federal income tax consequences of the Cazador domestication, see “Material U.S. Federal Income Tax Consequences – Material U.S. Federal Income Tax Consequences of the Cazador Domestication” beginning on page 190.

Q: When and where will the Cazador special meeting be held?

A: The Cazador special meeting will be held at _____ on _____, 2012, at _____, Eastern time, unless the special meeting is adjourned or postponed.

Q: Who is entitled to vote at the Cazador special meeting?

A: Cazador has fixed _____, 2012 as the Cazador record date. If you were a Cazador shareholder at the close of business on the Cazador record date, you are entitled to vote on matters that come before the Cazador special meeting. However, a Cazador shareholder may only vote his or her shares if he or she is present in person or is represented by proxy at the Cazador special meeting.

Q: How many votes do I have?

A: Cazador shareholders are entitled to one vote at the Cazador special meeting for each Cazador Ordinary Share held of record as of the Cazador record date. As of the close of business on the Cazador record date, there were _____ outstanding Cazador Ordinary Shares, of which _____ were outstanding Public Cazador Ordinary Shares.

Q: What constitutes a quorum?

A: Holders of a majority in voting power of the Cazador Ordinary Shares issued and outstanding and entitled to vote at the Cazador special meeting, present in person or represented by proxy, constitute a quorum. As of the record date for the Cazador special meeting, _____ Cazador Ordinary Shares would be required to achieve a quorum.

Q: What vote is required to approve each Cazador proposal?

A: *Proposal to Approve and Adopt the Merger Agreement by Cazador Shareholders:* The proposal to approve and adopt the merger agreement and the merger contemplated thereby, which we refer to as the Cazador merger proposal, requires the affirmative vote of holders of a majority of the Public Cazador Ordinary Shares outstanding and entitled to vote. Accordingly, a Cazador shareholder's failure to submit a proxy card or to vote in person at the special

meeting, an abstention from voting, or the failure of a Cazador shareholder who holds his or her shares in “street name” through a broker or other nominee to give voting instructions to such broker or other nominee, will have the same effect as a vote “AGAINST” the Cazador merger proposal.

Proposal to Approve the Cazador Domestication: The proposal to approve the Cazador domestication, which we refer to as the Cazador domestication proposal, requires the affirmative vote of holders of at least two-thirds of the Cazador Ordinary Shares outstanding and entitled to vote which attend and vote at the Cazador special meeting.

Proposal to Adjourn the Cazador special meeting by Cazador Shareholders: Approving the adjournment of the special meeting (if it is necessary or appropriate to solicit additional proxies because there are not sufficient votes to obtain the Cazador business combination approval) requires the affirmative vote of holders of a majority of the Cazador Ordinary Shares present, in person or represented by proxy, at the special meeting and entitled to vote on the adjournment proposal, regardless of whether a quorum is present. Accordingly, abstentions will have the same effect as a vote “AGAINST” the proposal to adjourn the special meeting, while broker non-votes and shares not in attendance at the special meeting will have no effect on the outcome of any vote to adjourn the special meeting.

Q: How does Cazador’s Sponsor intend to vote its shares?

A: Cazador’s Sponsor has agreed to vote its Cazador Ordinary Shares in the same manner as holders of the majority of the Public Cazador Ordinary Shares in connection with the votes required to approve the business combination.

Q: What are the recommendations of Cazador’s board of directors?

A: Cazador’s board of directors, or the Cazador board, has unanimously (i) approved the merger agreement and the consummation of the transactions contemplated thereby upon the terms and subject to the conditions set forth in the merger agreement; (ii) approved the Cazador domestication; (iii) determined that the terms of the merger are fair to, and in the best interests of, Cazador and its shareholders; (iv) directed that the merger agreement be submitted to Cazador shareholders for adoption; (v) recommended that Cazador shareholders vote in favor of each of the Cazador merger proposal and the Cazador domestication proposal and (vi) declared the advisability of the business combination.

The Cazador board unanimously recommends that Cazador shareholders vote:

- “FOR” the Cazador merger proposal; and
- “FOR” the Cazador domestication proposal; and
- “FOR” the proposal to approve the adjournment of the special meeting (if it is necessary or appropriate to solicit additional proxies because there are not sufficient votes to obtain the Cazador business combination approval).

See “The Business Combination — Recommendation of the Cazador Board; Cazador’s Reasons for the Business Combination” beginning on page 172.

Q: Do Cazador shareholders have redemption rights?

A: Yes. Cazador is offering each holder of Public Cazador Ordinary Shares the right to have such holder's shares redeemed into cash if such holder either (i) votes against the business combination and timely exercises such redemption right or (ii) votes in favor of the business combination but elects to exercise such shareholder's right to redeem. Cazador's Sponsor and its beneficial owners will not have shareholder redemption rights with respect to any Cazador Ordinary Shares owned by them, directly or indirectly, including Cazador Ordinary Shares purchased by them in Cazador's initial public offering or in the secondary market. The actual per-share redemption price will be equal to the aggregate amount then in the trust account, and including accrued interest, net of any interest income on the trust account balance required for Cazador to pay its tax obligations incurred and net of interest income of up to \$2.0 million previously released to Cazador to fund its working capital requirements (calculated as of two business days prior to the consummation of the business combination), divided by the number of Public Cazador Ordinary Shares. As of June 11, 2012, the per-share redemption price would be approximately \$10.036. There will be no redemption rights upon the consummation of the merger agreement with respect to outstanding Cazador warrants.

Each holder of Public Cazador Ordinary Shares may elect to redeem his, her or its Public Cazador Ordinary Shares irrespective of whether he, she or it votes for or against the business combination. Cazador will not complete the business combination if holders of Public Cazador Ordinary Shares, owning, in the aggregate, more than 49.9% of the Public Cazador Ordinary Shares, both vote against and exercise their shareholder redemption rights with respect to the business combination. Additionally, as per the terms of the merger agreement, the merger will not be consummated unless Cazador has at least \$23.5 million of cash held in the trust account (after giving effect to payment of all holders of Public Cazador Ordinary Shares who exercise their redemption right but excluding payments to be made for transaction fees and pay-off of related party debt). Holders of Public Cazador Ordinary Shares will be able to redeem their shares up to the business day immediately prior to the vote on the proposals to approve the business combination.

As set forth in the Cazador Cayman Charter, a holder of Public Cazador Ordinary Shares, together with any affiliate of his or any other person with whom he is acting in concert or as a partnership, syndicate or other group for the purpose of acquiring, holding or disposing of Cazador Cayman's securities, will be prohibited from exercising shareholder redemption rights with respect to more than 10% of the Public Cazador Ordinary Shares.

Cazador may enter into privately negotiated transactions to purchase shares of NEI Common Stock from its public shareholders using proceeds released from the trust account immediately following consummation of the transactions contemplated by the merger agreement.

Q: Will how I vote affect my ability to exercise redemption rights?

A: No. You may exercise your redemption rights whether you vote your Public Cazador Ordinary Shares for or against the business combination or other proposals submitted for approval by shareholders.

Q: How do I exercise my redemption rights?

A: If you wish to exercise your redemption rights, you must:

- send a letter to Cazador's transfer agent, Continental Stock Transfer & Trust Company, at 17 Battery Place, 8th Floor, New York, New York 10004, attn: Frank Di Paolo, stating that you are exercising your redemption rights and demanding that your Public Cazador Ordinary Shares be converted into cash; and

- either:

o physically tender, or if you hold your Public Cazador Ordinary Shares in “street name,” cause your broker to physically tender, your certificates representing Cazador Ordinary Shares to Cazador’s transfer agent by _____, 2012; or

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o deliver your Public Cazador Ordinary Shares electronically using the Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) System, to Cazador's transfer agent by _____, 2012.

You may elect to redeem your Public Cazador Ordinary Shares irrespective of whether you vote in favor of or against the approval of the business combination.

Q: What are my U.S. federal income tax consequences of exercising my redemption rights?

A: A U.S. holder of Public Cazador Ordinary Shares who exercises redemption rights to receive cash from the trust account in exchange for its Public Cazador Ordinary Shares generally will recognize gain or loss equal to the difference, if any, between the amount of cash received and its tax basis in the Public Cazador Ordinary Shares redeemed. A shareholder's tax basis in its Public Cazador Ordinary Shares generally will equal the cost of such shares. A shareholder who purchased Cazador units in Cazador's initial public offering generally will have a tax basis in the Public Cazador Ordinary Shares that were part of such Cazador units equal to the portion of the purchase price of such Cazador units allocated to the Public Cazador Ordinary Shares (such allocation based on the relative fair market values of the Public Cazador Ordinary Shares and the warrants at the time of purchase).

Because Cazador Cayman should be considered a PFIC for U.S. federal income tax purposes, a U.S. holder who exercises redemption rights to receive cash in exchange for its Public Cazador Ordinary Shares generally will be subject to special tax rules with respect to any gain realized on the redemption. In general, under these special tax rules, unless the U.S. holder has made a "qualified electing fund" election under Section 1295 of the Code with respect to its Public Cazador Ordinary Shares for the first taxable year in which such U.S. holder owns such shares or in which Cazador Cayman is a PFIC, whichever is later, or a "mark-to-market" election under Section 1296 of the Code, (i) any gain recognized on the redemption will be allocated ratably over the U.S. holder's holding period for the Public Cazador Ordinary Shares redeemed, (ii) the amount of gain allocated to the current taxable year will be treated as ordinary income, and (iii) the amount of gain allocated to each other year will be subject to the highest tax rate in effect for that year, and an interest charge will be imposed to recover the deemed benefit of the deferred payment of tax.

Tax matters are very complicated, and the tax consequences of the redemption to a particular holder of Public Cazador Ordinary Shares will depend on such shareholder's circumstances. Accordingly, you are strongly urged to consult your tax advisor for a full understanding of the tax consequences of the redemption to you, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws. For a more complete discussion of the material U.S. federal income tax consequences of a redemption of Public Cazador Ordinary Shares for cash, see "Material U.S. Federal Income Tax Consequences – Tax Consequences to Holders of Public Cazador Ordinary Shares Exercising Redemption Rights" beginning on page 194.

Q: How will the Cazador domestication affect my Cazador Ordinary Shares and warrants?

A: On the effective date of the Cazador domestication, each Cazador Ordinary Share that is issued and outstanding will automatically convert by operation of law into one share of NEI Common Stock. Similarly, outstanding options, warrants and other rights to acquire Cazador Ordinary Shares will become options, warrants or rights to acquire the corresponding shares of NEI Common Stock. It is not necessary for holders of Cazador Ordinary Shares who currently hold share certificates to exchange their existing share certificates for certificates of shares of NEI Common Stock. No other changes will be made to the terms of any outstanding options, warrants and other rights to acquire Cazador Ordinary Shares as a result of the Cazador domestication.

Q: If I am a Cazador warrant holder, can I exercise redemption rights with respect to my warrants?

A: No. There are no redemption rights with respect to Cazador's warrants.

Q: Do I have appraisal rights in connection with the Cazador domestication?

A: No. Under Cayman Islands law and the DGCL, holders of Cazador Ordinary Shares do not have statutory dissenters' rights of appraisal or any other appraisal rights as a result of the Cazador domestication.

Q: What happens to the funds deposited in the trust account after completion of the business combination?

A: Upon consummation of the business combination, the funds deposited in the trust account will be released to pay holders of Public Cazador Ordinary Shares who properly exercise their redemption rights; (ii) to pay transaction fees and expenses associated with the business combination; and (iii) for working capital and general corporate purposes of Cazador following the business combination.

Q: What happens if the business combination is not consummated or is terminated?

A: If Cazador does not effect the business combination or any other business combination before October 14, 2012, it will compulsorily repurchase all Public Cazador Ordinary Shares and automatically liquidate the trust account in accordance with the procedure in the Cazador Cayman Charter. The Public Cazador Ordinary Shares will be cancelled and Cazador's Sponsor will be the only remaining shareholder and Cazador will continue in existence.

Questions and Answers for Net Element Shareholders

Q: Why is Net Element proposing to combine with Cazador?

A: In reaching its decision to recommend the merger agreement for adoption by Net Element shareholders, the Net Element board of directors, or the Net Element board, consulted with Net Element's management, as well as its financial and legal advisors, and considered a number of factors that the board members believe supported their decision. In particular, the Net Element board believes the business combination would provide Net Element shareholders with the potential to participate in a newly capitalized public company that could take advantage of potential growth opportunities and synergies resulting from combining Net Element with Cazador. The Net Element board reviewed the strategic alternatives available to the company, including remaining as a stand-alone public company, and concluded that it is an appropriate time to sell Net Element and that the merger consideration reflected the highest value reasonably attainable for Net Element public shareholders at this time. See "The Business Combination — Recommendation of the Net Element Board; Net Element's Reasons for the Business Combination" beginning on page 178.

Q: What will Net Element shareholders receive in the merger?

A: Prior to the effectiveness of the merger, Cazador intends to change its jurisdiction of incorporation from the Cayman Islands to Delaware by effecting the Cazador domestication. On the effective date of the Cazador domestication, each Cazador Ordinary Share that is issued and outstanding will automatically convert by operation of law into one share of NEI Common Stock.

Pursuant to the terms of the merger agreement, upon completion of the merger, each share of then-issued and outstanding Net Element Common Stock will be automatically cancelled and converted into the right to receive the number of shares of NEI Common Stock equal to the Exchange Ratio. The Exchange Ratio initially is 0.025 shares of NEI Common Stock per share of Net Element Common Stock, which reflects a 147% premium over the last reported sale price of the Net Element Common Stock on the OTCQB electronic quotation system of \$0.10 per share on June 11, 2012. The Exchange Ratio is subject to adjustment to reflect appropriately the effect of any stock split, reverse stock split, stock dividend, extraordinary cash dividends, reorganization, recapitalization, reclassification, combination, exchange of shares or other like change. However, shares held by Net Element as treasury stock or by any direct or indirect wholly-owned subsidiary of Net Element and shares with respect to which appraisal rights, to the extent available under the DGCL, are properly exercised and not withdrawn, which we collectively refer to as the Net Element excluded shares, will not receive the merger consideration. Any Net Element excluded shares will be cancelled upon the effectiveness of the merger.

Notwithstanding the foregoing, to the extent a holder of Net Element Common Stock would receive fewer than 100 shares of NEI Common Stock as a result of the Exchange Ratio, Cazador shall have the right, exercisable in Cazador's sole and absolute discretion, to issue to any such holder an additional number of shares of NEI Common Stock so that such holder receives, in the aggregate, 100 shares of NEI Common Stock in connection with the merger.

Net Element shareholders will not receive any fractional shares of NEI Common Stock in the merger. Instead, Cazador will issue one share of NEI Common Stock to each holder of Net Element Common Stock that would otherwise be entitled to a fractional share of NEI Common Stock.

Q: Should I send in my share certificates now for the exchange?

A: No. After the merger is completed, Net Element shareholders holding Net Element share certificates will receive from Cazador's exchange agent a letter of transmittal and instructions on how to obtain the merger consideration.

Each holder of record of one or more book entry shares of Net Element Common Stock whose shares will be converted into the right to receive the merger consideration will automatically, upon the effective time of the merger, be entitled to receive, and Cazador will cause the exchange agent to deliver to such holder as promptly as practicable after the effective time, the NEI Common Stock to which such holder is entitled under the merger agreement. Holders of book entry shares will not be required to deliver a certificate or an executed letter of transmittal to the exchange agent in order to receive the merger consideration.

Q: When and where will the Net Element special meeting be held?

A: The Net Element special meeting will be held at _____ on _____, 2012, at _____, Eastern time, unless the special meeting is adjourned or postponed.

Q: Who is entitled to vote at the Net Element special meeting?

A: Net Element has fixed _____, 2012 as the Net Element record date. If you were a Net Element shareholder at the close of business on the Net Element record date, you are entitled to vote on matters that come before the Net Element special meeting. However, a Net Element shareholder may only vote his or her shares of Net Element Common Stock if he or she is present in person or is represented by proxy at the Net Element special meeting.

Q: How many votes do I have?

A: Net Element shareholders are entitled to one vote at the Net Element special meeting for each share of Net Element Common Stock held of record as of the Net Element record date. As of the close of business on the Net Element record date, there were _____ outstanding shares of Net Element Common Stock.

Q: What constitutes a quorum?

A: Holders of a majority of the outstanding shares of Net Element Common Stock entitled to vote at the Net Element special meeting, present in person or represented by proxy, constitutes a quorum. In the absence of a quorum, the majority of the shares represented in person or by proxy, will have the power to adjourn the special meeting. As of the record date for the Net Element special meeting, _____ shares of Net Element Common Stock would be required to achieve a quorum.

Q: What vote is required to approve each Net Element proposal?

A: *Proposal to Approve and Adopt the Merger Agreement by Net Element Shareholders:* The proposal to approve and adopt the merger agreement and the merger contemplated thereby, which we refer to as the Net Element merger proposal, requires the affirmative vote of holders of a majority of the shares of Net Element Common Stock outstanding and entitled to vote. Accordingly, a Net Element shareholder's failure to submit a proxy card or to vote in person at the special meeting, an abstention from voting, or the failure of a Net Element shareholder who holds his or her shares in "street name" through a broker or other nominee to give voting instructions to such broker or other nominee, which we refer to as a broker non-vote, will have the same effect as a vote "AGAINST" the Net Element merger proposal.

Proposal to Adjourn the Net Element Special Meeting by Net Element Shareholders: Approving the adjournment of the special meeting (if it is necessary or appropriate to solicit additional proxies because there are not sufficient votes to obtain the Net Element business combination approval) requires the affirmative vote of holders of a majority of the shares of Net Element Common Stock present, in person or represented by proxy, at the special meeting and entitled to vote on the adjournment proposal. Accordingly, abstentions will have the same effect as a vote “AGAINST” the proposal to adjourn the special meeting, while broker non-votes and shares not in attendance at the special meeting will have no effect on the outcome of any vote to adjourn the special meeting.

Q: How do the Net Element insiders intend to vote their shares?

A: Mike Zoi, Net Element’s Chairman and Chief Executive Officer, owns, in combination with the holdings of entities that he controls, approximately 59.4% of the issued and outstanding Net Element Common Stock as of June 11, 2012 (67.2% assuming the exercise of options and warrants Mr. Zoi owns which are currently exercisable), and therefore holds enough shares to approve and adopt the merger agreement without the vote of any other Net Element shareholder. Mr. Zoi intends to vote his shares “FOR” the approval and adoption of the merger agreement.

Q: What are the recommendations of the Net Element board?

A: The Net Element board (other than Mike Zoi, who did not participate in the vote) has unanimously (i) approved the merger agreement and the consummation of the transactions contemplated thereby upon the terms and subject to the conditions set forth in the merger agreement; (ii) determined that the terms of the business combination are fair to, and in the best interests of, Net Element and its shareholders; (iii) directed that the merger agreement be submitted to Net Element shareholders for adoption; and (iv) declared the advisability of the business combination.

The Net Element board recommends that Net Element shareholders vote:

- “FOR” the Net Element merger proposal; and
- “FOR” the proposal to approve the adjournment of the special meeting.

See “The Business Combination — Recommendation of the Net Element Board; Net Element’s Reasons for the Business Combination” beginning on page 178.

Q: Are Net Element shareholders entitled to appraisal or dissenters' rights?

A: Yes, but only to the extent available under the DGCL. Holders of Net Element Common Stock who do not vote for the Net Element merger proposal and elect to exercise such appraisal rights, to the extent such rights are available under the DGCL, and who perfect those rights under the DGCL will be entitled to the appraised fair value of their shares of Net Element Common Stock paid to them in cash. The appraised fair value of any holder's Net Element Common Stock may be more or less than the value of the merger consideration that would otherwise be payable to such holder pursuant to the merger agreement. To exercise appraisal rights, a shareholder must follow carefully the requirements of the DGCL, including not consenting to, or voting in favor of, the approval and adoption of the merger agreement and timely delivering to Net Element a written demand for appraisal of such shareholder's shares in accordance with the DGCL. These appraisal requirements and procedures are summarized under the section entitled "The Merger Agreement — Description of the Merger Agreement — Appraisal Rights/Dissenting Shares" beginning on page 199. A copy of the relevant provisions of the DGCL addressing appraisal rights is attached as Annex H to this joint proxy statement/prospectus. Holders of Net Element Common Stock who intend to exercise appraisal rights should read the statutory provisions carefully and consult with their own legal advisors, as any deviation from the statutory requirements may result in a forfeiture of appraisal rights otherwise available to such shareholders.

Q: If the merger is completed, when can I expect to receive the merger consideration for my shares of Net Element Common Stock?

A: *Certificated Shares:* As soon as reasonably practicable after the effective time of the business combination, Cazador will cause an exchange agent to mail to each holder of certificated shares of Net Element Common Stock a form of letter of transmittal and instructions for use in effecting the exchange of Net Element Common Stock for the merger consideration. After receiving the proper documentation from a holder of Net Element Common Stock, the exchange agent will deliver to such holder the shares of NEI Common Stock to which such holder is entitled under the merger agreement.

Book Entry Shares: Each holder of record of one or more book entry shares of Net Element Common Stock whose shares will be converted into the right to receive the merger consideration will automatically, upon the effective time of the merger, be entitled to receive, and Cazador will cause the exchange agent to deliver to such holder as promptly as practicable after the effective time, the cash and NEI Common Stock to which such holder is entitled under the merger agreement. Holders of book entry shares will not be required to deliver a certificate or an executed letter of transmittal to the exchange agent in order to receive the merger consideration.

SUMMARY

The following summary highlights only selected information contained elsewhere in this joint proxy statement/prospectus and may not contain all the information that may be important to you. Accordingly, you are encouraged to read this joint proxy statement/prospectus carefully and in its entirety, including its annexes and the documents incorporated by reference in this joint proxy statement/prospectus. See the section entitled “Where You Can Find More Information” beginning on page 241.

Parties to the Business Combination

Cazador Acquisition Corporation Ltd.

Cazador Acquisition Corporation Ltd., or Cazador, is a recently organized blank check company incorporated as a Cayman Islands exempted company for the purpose of effecting a merger, share capital exchange, asset acquisition, share purchase, reorganization or similar business combination.

On October 14, 2010, Cazador closed its initial public offering of 4,600,000 units (including 600,000 units subject to the underwriters’ over-allotment option which were exercised on October 14, 2010). Each unit consisted of one ordinary share, par value \$0.001, and one warrant. The units were sold at an offering price of \$10.00, generating gross proceeds to Cazador of approximately \$46.0 million. Prior to Cazador’s initial public offering, it sold an aggregate of 4,340,000 warrants to Cazador’s Sponsor in a private placement for a purchase price of \$0.50 per warrant, generating total proceeds of approximately \$2.2 million to Cazador. After deducting the underwriting discounts and commissions and Cazador’s initial public offering expenses, the total net proceeds to Cazador from the initial public offering and private placement were approximately \$46.5 million, of which approximately \$46.2 million was deposited into a trust account, with the remaining proceeds being used to provide for business, legal and accounting due diligence and advisory fees in connection with prospective business combinations, compliance with securities laws and regulations, and continuing general and administrative expenses.

Prior to the effectiveness of the merger, Cazador intends to change its jurisdiction of incorporation from the Cayman Islands to Delaware by effecting the Cazador domestication. Following the Cazador domestication, Cazador will continue as a Delaware corporation, at which time Cazador will change its name, in connection with the effectiveness of the merger, to “Net Element International, Inc.”

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The Cazador Ordinary Shares are listed on The NASDAQ Capital Market and trade under the symbol "CAZA." On , 2012, the latest practicable date before the printing of this proxy statement/prospectus, the last reported sale price of the Cazador Ordinary Shares on The NASDAQ Capital Market was \$ per share. Cazador intends to apply to list the shares of NEI Common Stock on The NASDAQ Capital Market under the symbol "NETE." There can be no assurance that the NEI Common Stock will be listed on The NASDAQ Capital Market.

Cazador's principal executive offices are located at BBVA Building, P1, 254 Muñoz Rivera Avenue, San Juan, Puerto Rico 00918, and its telephone number is (787) 993-9650.

Net Element, Inc.

Since April 1, 2010, Net Element has pursued a strategy to develop and acquire technology and applications for use in the online media industry. As part of Net Element's strategy to develop an online media company, on December 14, 2010, Net Element acquired Openfilm, LLC, a Florida limited liability company that is engaged in the development of technology and operation of a website that supports the advancement of independent film on the Internet. Additionally, on February 1, 2011, Net Element acquired Motorsport, LLC, a Florida limited liability company that owns 100% of the outstanding common stock of Motorsport.com, Inc., a Florida corporation engaged in the operation of a news and information website relating to the international motorsport industry, and Music1, LLC, a Florida limited liability company that owns 97% of the membership interests in A&R Music Live, LLC, a Georgia limited liability company that owns and operates two websites that provide an online social community and marketplace for musicians, songwriters, producers and record companies and an opportunity to showcase artist talents. As a result of these acquisitions, Net Element now operates several online media websites in the film, auto racing and emerging music talent markets.

The Net Element Common Stock is quoted on the OTCQB electronic quotation system under the symbol "NETE." On _____, 2012, the latest practicable date before the printing of this proxy statement/prospectus, the last reported sale price of the Net Element Common Stock on the OTCQB electronic quotation system was \$ _____ per share.

Net Element's principal executive offices are located at 1450 S. Miami Avenue, Miami, Florida 33130, and its telephone number is (305) 507-8808.

The Proposed Business Combination

The Proposed Merger

Cazador is proposing to acquire Net Element pursuant to the merger agreement. Cazador and Net Element have entered into the merger agreement pursuant to which Net Element will merge with and into Cazador, with Cazador as the surviving entity.

Prior to the effectiveness of the merger, Cazador intends to change its jurisdiction of incorporation from the Cayman Islands to Delaware by effecting the Cazador domestication. On the effective date of the Cazador domestication, each Cazador Ordinary Share that is issued and outstanding will automatically convert by operation of law into one share of NEI Common Stock.

Prior to the effective time of the merger, each holder of outstanding securities of Net Element that are convertible into or exchangeable or exercisable for shares of Net Element Common Stock will enter into conversion agreements, pursuant to which all such outstanding securities of Net Element will be either terminated or converted into or exchanged or exercised for shares of Net Element Common Stock (in the case of outstanding Net Element stock options and warrants that are exercised, on a cashless basis); provided that certain option holders that received their options in lieu of compensation will have the ability to elect to terminate their options in exchange for cash in the amount of such compensation.

As a result of the business combination, former Net Element shareholders will own NEI Common Stock. Cazador intends to apply to list the NEI Common Stock on The NASDAQ Capital Market. There can be no assurance that the NEI Common Stock will be listed on The NASDAQ Capital Market.

For additional information on the business combination, see “The Business Combination” beginning on page 165, and for additional information on the merger agreement and the related transaction documents, see “The Merger Agreement” beginning on page 197.

The Proposed Cazador Domestication

As a condition to closing the merger pursuant to the terms of the merger agreement, Cazador intends to change its jurisdiction of incorporation from the Cayman Islands to Delaware, referred to as the Cazador domestication. To effect the Cazador domestication, Cazador will file a notice of de-registration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and file a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of Delaware, under which Cazador will be domesticated and continue as a Delaware corporation, at which time Cazador will change its name, in connection with the effectiveness of the merger, to “Net Element International, Inc.” The Cazador domestication requires the approval of the holders of at least two-thirds of the outstanding Cazador Ordinary Shares which attend and vote at the Cazador special meeting.

On the effective date of the Cazador domestication, each Cazador Ordinary Share that is issued and outstanding will automatically convert by operation of law into one share of NEI Common Stock. Similarly, outstanding options, warrants and other rights to acquire Cazador Ordinary Shares will become options, warrants or rights to acquire the corresponding shares of NEI Common Stock. It is not necessary for holders of Cazador Ordinary Shares who currently hold share certificates to exchange their existing share certificates for certificates of shares of NEI Common Stock. No other changes will be made to the terms of any outstanding options, warrants and other rights to acquire Cazador Ordinary Shares as a result of the Cazador domestication.

Merger Consideration Received by Net Element Shareholders

Pursuant to the terms of the merger agreement, upon completion of the merger, each share of then-issued and outstanding Net Element Common Stock (other than Net Element excluded shares, which will be cancelled upon effectiveness of the merger) will be automatically cancelled and converted into the right to receive the number of shares of NEI Common Stock equal to the Exchange Ratio. The Exchange Ratio initially is 0.025 shares of NEI Common Stock per share of Net Element Common Stock, which reflects a 147% premium over the last reported sale price of the Net Element Common Stock on the OTCQB electronic quotation system of \$0.10 per share on June 11,

2012. The Exchange Ratio is subject to adjustment to reflect appropriately the effect of any stock split, reverse stock split, stock dividend, extraordinary cash dividends, reorganization, recapitalization, reclassification, combination, exchange of shares or other like change. Notwithstanding the foregoing, to the extent a holder of Net Element Common Stock would receive fewer than 100 shares of NEI Common Stock as a result of the Exchange Ratio, Cazador shall have the right, exercisable in Cazador's sole and absolute discretion, to issue to any such holder an additional number of shares of NEI Common Stock so that such holder receives, in the aggregate, 100 shares of NEI Common Stock in connection with the merger.

Net Element shareholders will not receive any fractional shares of NEI Common Stock in the merger. Instead, Cazador will issue one share of NEI Common Stock to each holder of Net Element Common Stock that would otherwise be entitled to a fraction of a share of NEI Common Stock.

A description of the NEI Common Stock to be issued as merger consideration is set forth under the section entitled “Description of NEI Securities” beginning on page 227.

Total Shares of NEI Common Stock to be Issued as Merger Consideration

Based on the number of fully diluted shares of Net Element Common Stock outstanding as of _____, 2012, the latest practicable date before the printing of this joint proxy statement/prospectus, the total number of shares of NEI Common Stock to be issued to holders of Net Element Common Stock as merger consideration will be approximately _____. Immediately following the completion of the business combination (without taking into account any shares of NEI Common Stock held by Net Element shareholders prior to the completion of the business combination), the former shareholders of Net Element are expected to own approximately 80.9% of the outstanding NEI Common Stock (or 65.6% of the outstanding NEI Common Stock calculated on a fully diluted basis) and the current holders of Cazador Ordinary Shares are expected to own approximately 19.1% of the outstanding NEI Common Stock (or 34.4% of the outstanding NEI Common Stock calculated on a fully diluted basis).

Comparative Per Share Market Price

The Cazador Ordinary Shares are listed on The NASDAQ Capital Market and trade under the symbol “CAZA.” Cazador intends to apply to list the shares of NEI Common Stock on The NASDAQ Capital Market under the symbol “NETE.” There can be no assurance that the NEI Common Stock will be listed on The NASDAQ Capital Market.

The Net Element Common Stock is quoted on the OTCQB electronic quotation system under the symbol “NETE.”

The following table shows the closing prices of Cazador Ordinary Shares and Net Element Common Stock as reported on June 11, 2012, the last trading day before the business combination was publicly announced, and on _____, 2012, the last practicable trading day before the date of this joint proxy statement/prospectus. This table also shows the value of the merger consideration per share of Net Element Common Stock, which was calculated by multiplying (i) the closing price of Cazador Ordinary Shares as of the specified date by (ii) the quotient obtained by dividing (a) the aggregate number of shares of NEI Common Stock to be issued to holders of Net Element Common Stock by (b) the number of shares of Net Element Common Stock outstanding on a fully diluted basis upon effective time of the

business combination.

Date	Net Element Common Stock	Cazador Ordinary Shares	Value Per Share of Net Element Common Stock
June 11, 2012	\$ 0.10	\$ 9.87	\$ 0.2468
, 2012	\$	\$	\$

The market prices of Cazador Ordinary Shares and Net Element Common Stock will fluctuate prior to the consummation of the business combination. You should obtain current market quotations for your shares.

Neither Cazador nor Net Element currently pays dividends on its common shares. Under the terms of the merger agreement, during the period before the effective times of the merger, Net Element is prohibited from paying any dividends on the Net Element Common Stock, unless Net Element has received prior written consent from Cazador.

Cazador Special Meeting

Date, Time and Place

A special meeting of the shareholders of Cazador will be held at _____ on _____, 2012, at _____, Eastern time, unless the special meeting is adjourned or postponed.

Purposes of the Special Meeting

At the special meeting, Cazador shareholders will be asked to consider and vote upon the following matters and to transact such other business that may properly come before the meeting:

the Cazador merger proposal; and

the Cazador domestication proposal; and

- the proposal to approve the adjournment of the special meeting (if it is necessary or appropriate to solicit additional proxies because there are not sufficient votes to obtain the Cazador business combination approval).

Record Date; Shares Entitled to Vote

Holders of Cazador Ordinary Shares as of the close of business on _____, 2012, or the Cazador record date, are entitled to notice of, and to vote at, the special meeting or one or more adjournments thereof. Each Cazador Ordinary Share is entitled to one vote.

As of the Cazador record date, _____ Cazador Ordinary Shares were outstanding and entitled to vote at the Cazador special meeting, of which _____ were Public Cazador Ordinary Shares.

Vote Required

The Cazador Merger Proposal: The Cazador merger proposal requires the affirmative vote of holders of a majority of the Public Cazador Ordinary Shares outstanding and entitled to vote. Accordingly, a Cazador shareholder's failure to submit a proxy card or to vote in person at the special meeting, an abstention from voting, or the failure of a Cazador shareholder who holds his or her shares in "street name" through a broker or other nominee to give voting instructions to such broker or other nominee, will have the same effect as a vote "AGAINST" the Cazador merger proposal.

The Cazador Domestication Proposal: The Cazador domestication proposal requires the affirmative vote of holders of at least two-thirds of the Cazador Ordinary Shares outstanding and entitled to vote which attend and vote at the Cazador special meeting.

Proposal to Adjourn the Cazador Special Meeting by Cazador Shareholders: Approving the adjournment of the special meeting (if it is necessary or appropriate to solicit additional proxies because there are not sufficient votes to obtain the Cazador business combination approval) requires the affirmative vote of holders of a majority of the Cazador Ordinary Shares present, in person or represented by proxy, at the special meeting and entitled to vote on the adjournment proposal, regardless of whether a quorum is present. Accordingly, abstentions will have the same effect as a vote "AGAINST" the proposal to adjourn the special meeting, while broker non-votes and shares not in attendance at the special meeting will have no effect on the outcome of any vote to adjourn the special meeting.

Recommendation of the Cazador Board

The Cazador board has unanimously (i) approved the merger agreement and the consummation of the transactions contemplated thereby upon the terms and subject to the conditions set forth in the merger agreement; (ii) approved the Cazador domestication; (iii) determined that the terms of the merger are fair to, and in the best interests of, Cazador and its shareholders; (iv) directed that the merger agreement be submitted to Cazador shareholders for adoption; (v) recommended that Cazador shareholders vote in favor of each of the Cazador merger proposal and the Cazador domestication proposal and (vi) declared the advisability of the business combination.

THE CAZADOR BOARD UNANIMOUSLY RECOMMENDS THAT CAZADOR SHAREHOLDERS VOTE:

“FOR” THE CAZADOR MERGER PROPOSAL;

“FOR” THE CAZADOR DOMESTICATION PROPOSAL; AND

“FOR” THE PROPOSAL TO APPROVE THE ADJOURNMENT OF THE SPECIAL MEETING (if it is necessary or appropriate to solicit additional proxies because there are not sufficient votes to obtain the Cazador business combination approval).

See “The Business Combination — Recommendation of the Cazador Board; Cazador’s Reasons for the Business Combination” beginning on page 172.

Net Element Special Meeting

Date, Time and Place

A special meeting of the shareholders of Net Element will be held at _____ on _____, 2012, at _____, Eastern time, unless the special meeting is adjourned or postponed.

Purpose of the Special Meeting

At the special meeting, Net Element shareholders will be asked to consider and vote upon the following matters and to transact such other business that may properly come before the meeting:

the Net Element merger proposal; and

a proposal to approve the adjournment of the Net Element special meeting.

Record Date; Shares Entitled to Vote

Only holders of record of shares of Net Element Common Stock at the close of business on _____, 2012, or the Net Element record date, will be entitled to notice of, and to vote at, the special meeting or one or more adjournments thereof. Each outstanding share of Net Element Common Stock entitles its holder to cast one vote.

As of the Net Element record date, there were _____ shares of Net Element Common Stock outstanding and entitled to vote at the Net Element special meeting.

Vote Required

The Net Element Merger Proposal: The Net Element merger proposal requires the affirmative vote of holders of a majority of the shares of Net Element Common Stock outstanding and entitled to vote. Accordingly, a Net Element shareholder's failure to submit a proxy card or to vote in person at the special meeting, an abstention from voting, or the failure of a Net Element shareholder who holds his or her shares in "street name" through a broker or other nominee to give voting instructions to such broker or other nominee, which we refer to as a broker non-vote, will have the same effect as a vote "AGAINST" the Net Element merger proposal.

Proposal to Adjourn the Net Element Special Meeting by Net Element Shareholders: Approving the adjournment of the special meeting (if it is necessary or appropriate to solicit additional proxies because there are not sufficient votes to obtain the Net Element business combination approval) requires the affirmative vote of holders of a majority of the shares of Net Element Common Stock present, in person or represented by proxy, at the special meeting and entitled to vote on the adjournment proposal. Accordingly, abstentions will have the same effect as a vote "AGAINST" the proposal to adjourn the special meeting, while broker non-votes and shares not in attendance at the special meeting will have no effect on the outcome of any vote to adjourn the special meeting.

Recommendation of the Net Element Board

The Net Element board (other than Mike Zoi, who did not participate in the vote) has unanimously (i) approved the merger agreement and the consummation of the transactions contemplated thereby upon the terms and subject to the conditions set forth in the merger agreement; (ii) determined that the terms of the business combination are fair to, and in the best interests of, Net Element and its shareholders; (iii) directed that the merger agreement be submitted to Net Element shareholders for adoption; and (iv) declared the advisability of the business combination.

THE NET ELEMENT BOARD RECOMMENDS THAT NET ELEMENT SHAREHOLDERS VOTE:

“FOR” THE NET ELEMENT MERGER PROPOSAL; AND

“FOR” THE PROPOSAL TO APPROVE THE ADJOURNMENT OF THE SPECIAL MEETING.

See “The Business Combination — Recommendation of the Net Element Board; Net Element’s Reasons for the Business Combination” beginning on page 178.

Interests of Officers and Directors in the Business Combination

Certain of Net Element’s and Cazador’s executive officers and directors have financial interests in the business combination that are different from, or in addition to, the interests of Cazador’s shareholders and Net Element’s shareholders, other than the insider shareholders. For example, immediately prior to the effectiveness of the merger, the principal amounts of all outstanding convertible debt of Net Element owned by Enerfund (which is owned and controlled by Mike Zoi) will be converted into Net Element Common Stock, which will be converted into shares of NEI common stock in the merger and, immediately following the effectiveness of the merger, NEI will pay to Enerfund an amount, in cash, representing payment in full of all outstanding non-convertible loans, and accrued interest thereon, made by Enerfund to Net Element. The members of the Cazador board and the members of the Net Element board were aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the transactions contemplated thereby and in recommending to Cazador and Net Element shareholders, respectively, that the merger agreement be approved and adopted. These interests are described in more detail in the sections of this document entitled “The Business Combination — Interests of Officers and Directors in the Business Combination” beginning on page 183.

Material U.S. Federal Income Tax Consequences

Material U.S. Federal Income Tax Consequences of the Merger

As a condition to the completion of the merger, each of Reed Smith, tax counsel to Cazador, and Bilzin, tax counsel to Net Element, must have delivered an opinion, dated the closing date of the merger, to the effect that the merger will be treated as a reorganization for U.S. federal income tax purposes within the meaning of Section 368(a) of the Code. Assuming that the merger qualifies as a reorganization, Net Element shareholders will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of Net Element Common Stock for shares of NEI Common Stock in the merger.

The tax opinions regarding the merger will not address any state, local or foreign tax consequences of the merger. The opinions will be subject to customary qualifications and assumptions, including that the merger will be completed according to the terms of the merger agreement. In rendering the tax opinions, each counsel will require and rely on representations and statements of Net Element, Cazador and their affiliates, which will be delivered at the time of the closing of the merger. If any such assumption, representation or statement is or becomes inaccurate, the U.S. federal income tax consequences of the merger could be adversely affected.

An opinion of counsel represents such counsel's best legal judgment but is not binding on the IRS or any court. Neither Net Element nor Cazador intends to request any ruling from the IRS as to the U.S. federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences described in this joint proxy statement/prospectus or any of the tax consequences described in the tax opinions.

Tax matters are very complicated, and the tax consequences of the merger to a particular shareholder will depend on such shareholder's circumstances. Accordingly, Cazador and Net Element urge you to consult your tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws. For a more complete discussion of the material U.S. federal income tax consequences of the merger, see "Material U.S. Federal Income Tax Consequences – Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 189.

Material U.S. Federal Income Tax Consequences of the Cazador Domestication

In the opinion of Reed Smith, tax counsel to Cazador, the Cazador domestication will constitute a reorganization within the meaning of Section 368(a)(1)(F) of the Code. Assuming that the Cazador domestication qualifies as a reorganization, U.S. holders (as defined in "Material U.S. Federal Income Tax Consequences" below) of Cazador Ordinary Shares will be subject to Section 367(b) of the Code and, as a result:

A U.S. holder of Cazador Ordinary Shares whose Cazador Ordinary Shares have a fair market value of less than \$50,000 on the day of the Cazador domestication will not recognize any gain or loss and will not be required to include any part of the "all earnings and profits amount" in income.

A U.S. holder of Cazador Ordinary Shares whose Cazador Ordinary Shares have a fair market value of \$50,000 or more but who on the day of the Cazador domestication owns (actually and constructively) less than 10% of the total combined voting power of all classes of Cazador Cayman shares entitled to vote generally will recognize gain (but not loss) on the exchange of Cazador Ordinary Shares for NEI Common Stock pursuant to the Cazador domestication. As an alternative to recognizing gain, however, a U.S. holder may elect to include in income as a dividend the "all earnings and profits amount," as the term is defined in Treasury Regulation Section 1.367(b)-2(d),

attributable to the Cazador Ordinary Shares it directly owns, provided certain requirements are satisfied. Cazador does not expect that Cazador Cayman's cumulative earnings and profits will be greater than zero as of the day of the Cazador domestication.

A U.S. holder of Cazador Ordinary Shares whose Cazador Ordinary Shares have a fair market value of \$50,000 or more, and who on the day of the Cazador domestication owns (actually and constructively) 10% or more of the total combined voting power of all classes of Cazador Cayman shares entitled to vote generally will be required to include in income as a dividend the “all earnings and profits amount,” as the term is defined in Treasury Regulation Section 1.367(b)-2(d), attributable to the Cazador Ordinary Shares it directly owns. However, Cazador does not expect that Cazador Cayman’s cumulative earnings and profits will be greater than zero as of the day of the Cazador domestication.

Cazador Cayman should be considered a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes. As a result, notwithstanding the foregoing U.S. federal income tax consequences of the Cazador domestication, proposed Treasury regulations under Section 1291(f) of the Code (which have a retroactive effective date), if finalized in their current form, generally would require a U.S. holder to recognize gain on the exchange of Cazador Ordinary Shares for NEI Common Stock pursuant to the Cazador domestication. The tax on any such gain so recognized would be imposed at the rate applicable to ordinary income and an interest charge would apply based on a complex set of computational rules designed to offset the tax deferral to such holders on the undistributed earnings, if any, of Cazador Cayman. However, we are unable to predict at this time whether, in what form, and with what effective date, final Treasury regulations under Section 1291(f) of the Code will be adopted. For a more complete discussion of the potential application of the PFIC rules to U.S. holders as a result of the Cazador domestication, see “Material U.S. Federal Income Tax Consequences – Material U.S. Federal Income Tax Consequences of the Cazador Domestication – Passive Foreign Investment Company Considerations” beginning on page 193.

Additionally, the Cazador domestication may cause non-U.S. holders (as defined in “Material U.S. Federal Income Tax Consequences” below) to become subject to U.S. withholding taxes on any dividends in respect of the shares of NEI Common Stock made subsequent to the Cazador domestication.

The tax opinion regarding the Cazador domestication will not address any state, local or foreign tax consequences of the Cazador domestication. The opinions will be subject to customary qualifications and assumptions, including that the Cazador domestication will be completed as described herein. In rendering the tax opinion, Reed Smith will require and rely on representations and statements of Cazador and their affiliates, which will be delivered at the time of the closing of the Cazador domestication. If any such assumption, representation or statement is or becomes inaccurate, the U.S. federal income tax consequences of the Cazador domestication could be adversely affected.

An opinion of counsel represents such counsel’s best legal judgment but is not binding on the IRS or any court. Cazador does not intend to request any ruling from the IRS as to the U.S. federal income tax consequences of the Cazador domestication. Consequently, no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences set forth in this joint proxy statement/prospectus or any of the tax consequences described in the tax opinion.

Tax matters are very complicated, and the tax consequences of the Cazador domestication to a particular shareholder will depend on such shareholder's circumstances. Accordingly, Cazador urges you to consult your tax advisor for a full understanding of the tax consequences of the Cazador domestication to you, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws. For a more complete discussion of the material U.S. federal income tax consequences of the Cazador domestication, see "Material U.S. Federal Income Tax Consequences –Material U.S. Federal Income Tax Consequences of the Cazador Domestication" beginning on page 190.

Accounting Treatment

The Cazador Domestication

There will be no accounting effect or change in the carrying amount of the consolidated assets and liabilities of Cazador Cayman as a result of Cazador domestication. The business, capitalization, assets and liabilities and financial statements of Cazador will be the same upon effectiveness of the Cazador domestication as they are prior to the Cazador domestication.

The Merger

The merger will be accounted for as a reverse recapitalization, whereby Net Element will be the continuing entity for financial reporting purposes and will be deemed, for accounting purposes, to be the acquiror of Cazador. Following the closing of the merger; (i) the current shareholders of Net Element will hold a majority of the issued and outstanding shares of NEI Common Stock, on a fully diluted basis, and, therefore, will have voting control of NEI; (ii) the senior management of Net Element will be the majority of the senior management of NEI; (iii) the majority of the NEI board will be appointed by Net Element; and (iv) Net Element's operations will become the core business of the combined entity following completion of the merger.

Based on the above facts, the respective management of Cazador and Net Element believe that Cazador is not considered as the accounting acquiror, and therefore, the merger contemplated by the merger agreement will be accounted for as a reverse recapitalization. The accounting of the merger will be similar to that of a capital infusion, as the only significant pre-merger assets of Cazador consist of cash and cash equivalents. No intangible assets or goodwill will be recognized as a result of the merger; accordingly, Net Element will record the shares of NEI Common Stock issued in exchange for shares of Net Element Common Stock based on the carrying value of the assets and liabilities received as of the closing date of the merger.

Officers and Directors of NEI

Upon completion of the business combination, the following individuals have been designated as of the date of this joint proxy statement/prospectus to serve as directors and executive officers of NEI:

Name	Age	Position
Mike Zoi	46	Non-Executive Chairman
Francesco Piovanetti	37	Chief Executive Officer & Director
Dmitry Kozko	28	President & Director
David P. Kelley II	54	Independent Director
James Caan	71	Independent Director
Kenges Rakishev	32	Independent Director
Felix Vulis	56	Independent Director
Alberto Hernandez	36	Chief Operating Officer
Jonathan New	52	Chief Financial Officer
Curtis Wolfe	48	Secretary
Richard Lappenbusch	44	Executive Vice President & Chief Strategy Officer
Ivan Onuchin	36	Chief Technology Officer

For more information on the new directors and management of NEI, see “Post-Merger NEI Executive Officers and Directors” beginning on page 210.

Listing of NEI Common Stock

The Cazador Ordinary Shares are listed on The NASDAQ Capital Market and trade under the symbol “CAZA.” On _____, 2012, the latest practicable date before the printing of this proxy statement/prospectus, the last reported sale price of the Cazador Ordinary Shares on The NASDAQ Capital Market was \$ _____ per share. Cazador intends to apply to list the shares of NEI Common Stock on The NASDAQ Capital Market under the symbol “NETE.” There can be no assurance that the NEI Common Stock will be listed on The NASDAQ Capital Market.

Comparison of Shareholder Rights

As a Result of the Cazador Domestication

The Cazador domestication will change Cazador's jurisdiction of incorporation from the Cayman Islands to Delaware and, as a result, Cazador's organizational documents will change and will be governed by the DGCL rather than Cayman Islands law. There are differences between the governing corporate law of Cazador Cayman and NEI. Additionally, there are differences between the new organizational documents of NEI and the current organizational documents of Cazador Cayman. For example, while the Cazador Cayman Charter contains provisions regarding “business combinations” and “interested shareholders” that will be substantially similar in effect to the provisions of Section 203 of the DGCL, the NEI bylaws will not contain provisions similar to the business combination provisions in the Cazador Cayman Charter. However, holders of NEI Common Stock will have

substantially similar voting rights because NEI will be subject to the provisions of Section 203 upon effectiveness of the Cazador domestication. See “Comparison of Shareholder Rights” beginning on page 231. However, Cazador’s business, assets and liabilities on a consolidated basis, as well as its principal business locations and fiscal year, will be the same upon completion of the Cazador domestication as they are prior to the Cazador domestication (following completion of the merger, Cazador will then change its principal business locations to those of Net Element).

For a summary of the material differences among the rights of holders of NEI Common Stock and holders of Cazador Ordinary Shares, see “Comparison of Shareholder Rights” beginning on page 231.

As a Result of the Merger

As a result of the merger, the holders of Net Element Common Stock will become holders of NEI Common Stock. Following the merger, Net Element shareholders will have different rights as shareholders of NEI than they had as shareholders of Net Element due to the different provisions of the governing documents of NEI and Net Element.

For a summary of the material differences among the rights of holders of NEI Common Stock and holders of Net Element Common Stock, see “Comparison of Shareholder Rights” beginning on page 231.

SELECTED UNAUDITED PRO FORMA CONSOLIDATED COMBINED FINANCIAL INFORMATION

The following table shows summary unaudited pro forma consolidated combined financial information regarding the financial condition and results of operations of the combined company after giving effect to the business combination. The summary unaudited pro forma consolidated combined balance sheets as of March 31, 2012 combines the historical consolidated balance sheets of Cazador and Net Element giving effect to the business combination as if it had occurred on March 31, 2012. The summary unaudited pro forma consolidated combined statements of operations for the fiscal year ended December 31, 2011 and for the three months ended March 31, 2012 combine the historical consolidated statements of operations of Cazador and Net Element giving effect to the business combination as if it had occurred on January 1, 2011.

The summary unaudited pro forma consolidated combined financial information has been derived from and should be read in conjunction with the more detailed unaudited pro forma consolidated combined financial statements of the combined company included elsewhere in this joint proxy statement/prospectus and the accompanying notes to those unaudited pro forma consolidated combined financial statements. The summary unaudited pro forma condensed combined financial statements were based on and should be read in conjunction with the historical consolidated financial statements and related notes of Cazador and Net Element for the applicable periods, which have been included elsewhere in this joint proxy statement/prospectus.

The summary unaudited pro forma consolidated combined financial information has been prepared using two different assumptions: (i) that none of the holders of Cazador Ordinary Shares exercise their redemption rights under the Cazador Cayman Charter and (ii) that holders of 2,258,370, or approximately 49.09% of, Public Cazador Ordinary Shares exercise their redemption rights, which is the estimated maximum number of Public Cazador Ordinary Shares that may be redeemed whereby Cazador will continue have at least \$23.5 million of cash held in the trust account (after giving effect to payment of all holders of Public Cazador Ordinary Shares who exercise their redemption right but excluding payments to be made for transaction fees and related expenses and pay-off of related party debt), which is a condition to close the merger.

The summary unaudited pro forma consolidated combined financial information has been presented for informational purposes only and is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the business combination been completed as of the date indicated. In addition, the summary unaudited pro forma consolidated combined financial information does not purport to project the future financial position or operating results of the combined company. Also, as explained in more detail in the accompanying notes to the unaudited pro forma consolidated combined financial statements, the merger will be accounted for as a reverse recapitalization, whereby Net Element will be the continuing entity for financial reporting purposes and will be deemed, for accounting purposes, to be the acquiror of Cazador. Following the closing of the merger; (i) the current shareholders of Net Element will hold a majority of the issued and outstanding shares of NEI Common Stock, on a fully diluted basis, and, therefore, will have voting control of NEI; (ii) the senior management of Net Element will be the majority of the senior management of NEI; (iii) the majority of the NEI board will be appointed by Net Element; and (iv) Net Element's operations will become the core business of the combined entity

following completion of the merger.

Therefore, in accordance with the applicable accounting guidance for a reverse capitalization, since Cazador is not determined to be the acquiror for accounting purposes, the accounting for the merger contemplated by the merger agreement will be similar to that of a capital infusion, as the only significant pre-merger assets of Cazador are cash and cash equivalents, which are already recognized by Cazador at fair value. No intangible assets or goodwill will be recognized as a result of the accounting for the merger. Net Element will record the shares of NEI Common Stock issued in exchange for shares of Net Element Common Stock based on the value of the assets and liabilities of Cazador as of the closing date of the merger.

Pro forma balance sheet data (in USD) – UnauditedAs of March 31, 2012

	Assuming no redemptions (1)	Assuming minimum funds remaining (2)
Cash and cash equivalents	\$42,269,880	\$19,604,880
Total assets	43,974,595	21,309,595
Total liabilities	1,612,097	1,612,097
Total stockholders' equity	42,362,498	19,697,498

(1) Assumes that none of the holders of Cazador Ordinary Shares exercise their redemption rights under the Cazador Cayman Charter.

(2) Assumes that the holders of 2,258,370, or 49.09% of Public Cazador Ordinary Shares exercise their redemption rights, which is the estimated maximum number of Public Cazador Ordinary Shares that may be redeemed whereby Cazador will continue have at least \$23.5 million of cash held in the trust account (after giving effect to payment of all holders of Public Cazador Ordinary Shares who exercise their redemption right but excluding payments to be made for transaction fees and related expenses and pay-off of related party debt), pursuant to the merger agreement. These shares shall be redeemed at a price of \$10.036 per share calculated as shown below.

Net proceeds placed in trust	\$46,165,000
Add: Cumulative interest income	58,713
Less: Maximum allowable formation and operating costs	(58,713)
Total funds attributable to common shareholders	\$46,165,000
Public shares outstanding	4,600,000
Estimated redemption value per share	\$10.036

Pro forma statements of operations data (in USD) – Unaudited

(in USD)	Historical		Year ended December 31, 2011			
	Net Element for the year ended December 31, 2011	Cazador for the year ended December 31, 2011	Adjustments	Assuming no redemptions (1)	Adjustments	Assuming minimum funds remaining (2)
Net Revenues	\$183,179	\$ -	\$-	\$ 183,179	\$ -	\$ 183,179
Operating Expenses						
Cost of revenues	596,389	-	-	596,389	-	596,389
Formation and operating costs	-	715,827	-	715,827	-	715,827
Business development	385,714	-	-	385,714	-	385,714
General and administrative	23,831,750	-	-	23,831,750	-	23,831,750
Product development	113,159	-	-	113,159	-	113,159
Depreciation and amortization	311,939	-	-	311,939	-	311,939
Total operating expenses	25,238,951	715,827	-	25,954,778	-	25,954,778
Loss from operations	(25,055,772)	(715,827)) -			