

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-8  
Registration Statement  
Under  
The Securities Act of 1933

USA TECHNOLOGIES, INC.  
(Exact Name of Registrant as Specified in its Charter)

Pennsylvania (State or other jurisdiction of incorporation or organization) 7359 (Primary Standard Industrial Classification Code Number) 23-2679963 (I.R.S. employer Identification No.)

200 Plant Avenue  
Wayne, Pennsylvania 19087  
(Address of principal executive offices and zip code)

ROBERT J. FLAHERTY CONSULTING AGREEMENT  
(full title of the plan)

George R. Jensen, Jr.  
President and Chief Executive Officer  
USA Technologies, Inc.  
200 Plant Avenue  
Wayne, Pennsylvania 19087  
(610) 989-0340  
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:  
Douglas M. Lurio, Esquire  
Lurio & Associates  
1760 Market Street, Suite 1300  
Philadelphia, PA 19103  
(215) 665-9300

CALCULATION OF REGISTRATION FEE

Title of Securities to be Offered	Amount to be Registered	Proposed Maximum Offering Price Per share (1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee(1)
Common Stock	17,000	\$ .365	\$6,205	\$ 1.88

(1) Estimated solely for purposes of calculating the registration fee. Pursuant to Rule 457(h), the offering price is based upon the average of the bid and asked price for the Common Stock on the OTC Electronic Bulletin Board on July 28, 1997. The registration fee represents 1/33 of 1% of the proposed maximum aggregate offering price.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

The documents listed in (a) through (g) below are incorporated by reference in the Registration Statement and made a part hereof. All documents subsequently filed by the Registrant pursuant to Section 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents.

(a) The Registrant's annual report on Form 10-KSB for the fiscal year ended June 30, 1996; and

(b) The Registrant's Form 10-QSB Quarterly Report for the quarterly period ended September 30, 1996; and

(c) The Registrant's Form 10-QSB Quarterly Report for the quarterly period ended December 31, 1996; and

(d) The Registrant's Form 10-QSB Quarterly Report for the quarterly period ended March 31, 1997; and

(e) The Registrant's current report on Form 8-K filed on December 19, 1996.

(f) The Registrant's current report on Form 8-K filed on May 22, 1997.

(g) The Registrant's current report on Form 8-K filed on July 8, 1997.

Item 4. Description of Securities

The Company is proceeding with the registration of 17,000 shares pursuant to an agreement with Robert J. Flaherty dated June 15, 1997. These shares are being issued for services rendered beginning June 15, 1997 through the completion of such services.

The Company is authorized to issue up to 55,000,000 shares of Common Stock, no par value ("Common Stock"), and 1,200,000 shares of undesignated Preferred Stock, all of which has been designated Series A Convertible Preferred Stock, no par value ("Preferred Stock").

As of June 30, 1997, there were 29,969,724 shares of Common Stock issued and outstanding.

The foregoing amount does not reflect shares of Common Stock

issuable by the Company upon the conversion of the Preferred Stock or any accrued and unpaid dividends thereon. As of June 30, 1997, 861,205 shares of Preferred Stock were issued and outstanding and are convertible into 10,334,460 shares of Common Stock through December 31, 1997 and 8,612,050 shares of Common Stock thereafter. As of June 30, 1997, there were \$2,839,000 of accrued and unpaid dividends on the Preferred Stock which are convertible at the rate of \$.83 per share of Common Stock through December 31, 1997 and at the rate of \$1.00 per share of Common Stock thereafter. As of June 30, 1997, a total of 38,255 shares of Preferred Stock have been converted into 414,650 shares of Common Stock and accrued and unpaid dividends thereon have been converted into 174,574 shares of Common Stock.

The foregoing amount also does not include the Common Stock issuable upon the exercise of the remaining 1,414,000 1995 Warrants, 1,998,000 1996 Warrants, 374,000 1996-B Warrants, 1,600,000 1997 Warrants or the 2,000,000 Warrants held by affiliates and/or consultants to GEM Advisors, Inc., issued and outstanding as of June 30, 1997.

The foregoing amount also does not include the Common Stock issuable upon the exercise of the outstanding stock options or purchase rights to acquire Common Stock. As of June 30, 1997, the Company has issued to its Directors, executive officers, consultants, and employees options to acquire up to 100,000 shares of Common Stock at \$.50 per share, options to acquire up to 1,236,000 shares of Common Stock at \$.45 per share, options to acquire up to 2,565,000 shares of Common Stock at \$.25 per share, and options to acquire up to 70,000 shares of Common Stock at \$.05 per share. The Company has also issued purchase rights to acquire up to 157,300 shares of Common Stock at \$1.00 per share. All options to purchase Common Stock were granted at prices at or above the market value on the date of the grant.

The holder of each share of Common Stock is entitled to one vote on all matters submitted to a vote of the shareholders of the Company, including the election of directors. There is no cumulative voting for directors.

The holders of Common Stock are entitled to receive such dividends as the Board of Directors may from time to time declare out of funds legally available for payment of dividends. No dividends may be paid on the Common Stock until all accumulated and unpaid cumulative dividends on the Series A Preferred Stock have been paid. Upon any liquidation, dissolution or winding up of the Company, holders of shares of Common Stock are entitled to receive pro rata all assets of the Company available for distribution, subject to the liquidation preference of the Series A Preferred Stock of \$10.00 per share and any unpaid and accumulated dividends on the Series A Preferred Stock. Shareholders of the Company do not have any preemptive rights to subscribe for or purchase shares, obligations, warrants, or other securities of the Company.

Item 5. Interests of Named Experts and Counsel

Lurio & Associates, counsel to the Company, is the beneficial owner of an aggregate of 2,500,000 shares of Common Stock which were issued to the firm as Escrow Agent in connection with the issuance of an aggregate of \$500,000 of Debentures in June 1997. The shares of Common Stock are being issued and held in escrow in order to ensure that they are available to the holders of the Debentures upon any conversion of the Debentures.

Item 6. Indemnification of Directors and Officers

Section 1746 of the Pennsylvania Business Corporation Law of 1988, as amended ("BCL"), authorizes a Pennsylvania corporation to indemnify its officers, directors, employees and agents under certain circumstances against expenses and liabilities incurred in legal proceedings involving such persons because of their holding or having held such positions with the Company and to purchase and maintain insurance of such indemnification. The Company's By-laws substantively provide that the Company will indemnify its officers, directors, employees and agents to the fullest extent provided by Section 1746 of the BCL.

Section 1713 of the BCL permits a Pennsylvania corporation, by so providing in its By-laws, to eliminate the personal liability of a director for monetary damages for any action taken unless the director has breached or failed to perform the duties of his office and the breach or failure constitutes self-dealing, willful misconduct or recklessness. In addition, no such limitation of liability is available with respect to the responsibility or liability of a director pursuant to any criminal statute or for the payment of taxes pursuant to Federal, state or local law. The Company's By-laws eliminate the personal liability of the directors to the fullest extent permitted by Section 1713 of the BCL.

Item 7. Exemption from Registration Claimed

Not applicable.

Item 8. Exhibits

The following Exhibits are filed as part of this Registration Statement:

- |      |   |
|------|---|
| 5    | Opinion of Lurio & Associates   |
| 23.1 | Consent of Lurio & Associates (included in the opinion filed as Exhibit 5 hereto) |

23.2 Consent of Ernst & Young LLP, Independent Auditors

28 Consulting Agreement between Robert J. Flaherty and USA Technologies, Inc. dated June 15, 1997

Item 9. Undertakings

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or most recent post-effective amendment thereof) which, individually or together, represent a fundamental change in the information in the registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Except that, subparagraph (i) and (ii) of this paragraph do not apply provided that the information required in a post-effective amendment is incorporated by reference from periodic reports filed by the issuer under the Securities Exchange Act of 1934.

(2) That for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be treated as a new registration statement relating to the securities offered herein, and shall treat the offering of such securities at that time as the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of

the Securities Exchange Act 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Wayne, Pennsylvania, on August 5, 1997.

USA TECHNOLOGIES, INC.

By: /s/ George R. Jensen, Jr.  
 -----  
 George R. Jensen, Jr.,  
 President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been duly signed below by the following persons in the capacities and on the date indicated.

Signature -----	Title -----	Date ----
/s/ George R. Jensen, Jr. ----- George R. Jensen, Jr.	Chairman of the Board, President and Chief Executive Officer, (Principal Executive Officer)	August 5, 1997
/s/ Stephen P. Herbert ----- Stephen P. Herbert	Vice President, Director	August 5, 1997
----- Keith L. Sterling	Vice President, Director	August , 1997
/s/ Leland P. Maxwell ----- Leland P. Maxwell	Vice President, Chief Financial Officer, (Principal Accounting Officer)	August 5, 1997
/s/ William W. Sellers ----- William W. Sellers	Director	August 5, 1997
/s/ Peter G. Kapourellos ----- Peter G. Kapourellos	Director	August 5, 1997
----- Henry B. duPont Smith	Director	August , 1997
----- William L. Van Alen, Jr.	Director	August , 1997

EXHIBIT INDEX

Exhibit No. -----	Description -----	Page No. -----
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August 5, 1997

USA Technologies, Inc.  
200 Plant Avenue  
Wayne, PA 19087  
Attn: Mr. George R. Jensen, Jr., President

Re: USA Technologies, Inc. -  
Registration Statement on Form S-8  
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Dear Mr. Jensen:

We have acted as counsel to USA Technologies, Inc., a Pennsylvania corporation (the "Company"), in connection with a Registration Statement on Form S-8, filed with the Securities and Exchange Commission on the date hereof (the "Registration Statement"). The Registration Statement covers 17,000 shares of Common Stock of the Company issuable to Robert J. Flaherty pursuant to a Consulting Agreement between the Company and Robert J. Flaherty dated June 15, 1997 (the "Consulting Agreement").

In rendering this opinion, we have examined (i) the Articles of Incorporation, as amended, and By-laws of the Company; (ii) the resolutions of the Board of Directors evidencing the corporate proceedings taken by the Company to authorize the issuance of the Common Stock pursuant to the Registration Statement; (iii) the Registration Statement (including all exhibits thereto); (iv) the Consulting Agreement; and (v) such other documents as we have deemed appropriate or necessary as a basis for the opinion hereinafter expressed.

In rendering the opinion expressed below, we assumed the authenticity of all documents and records examined, the conformity with the original documents of all documents submitted to us as copies and the genuineness of all signatures.

Based upon and subject to the foregoing, and such legal considerations as we deem relevant, we are of the opinion that, when sold as contemplated by the Registration Statement and the

USA Technologies, Inc.  
August 5, 1997  
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Consulting Agreement, the Common Stock will be legally issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion as an Exhibit to the Registration Statement.

Sincerely,

LURIO & ASSOCIATES

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-00000) pertaining to the registration of 17,000 shares of Common Stock of USA Technologies, Inc. of our report dated August 9, 1996, except for Note 12 as to which the date is September 10, 1996 with respect to the financial statements of USA Technologies, Inc. included in its Annual Report (Form 10-KSB) for the year ended June 30, 1996.

Philadelphia, Pennsylvania  
August 5, 1997

June 15, 1997

Mr. Robert J. Flaherty  
c/o Equities Magazine, Inc.  
160 Madison Avenue, 3rd Floor  
New York, New York 10016

Dear Robert:

This is to acknowledge and confirm the following terms of our Consulting Agreement. We are very pleased to be a client of yours.

(1) You are actively involved in providing financial relations, consulting and advisory services to clients.

(2) The Company hereby engages you and you hereby agree to render financial public relations, consulting and advisory services to the Company. It is understood and agreed that none of your services shall be in connection with the offer or sale of any securities of the Company in a capital raising transaction.

(3) Compensation

(a) The Company shall issue to you in consideration for providing the financial, public relations, consulting and advisory services set forth herein a total of 17,000 shares of fully vested, nonassessable, free trading Common Stock of the Company. Upon the effective date of the registration statement described in Paragraph 3(b) below, the Company shall issue such stock to you. This issuance of the Company's stock shall be the only consideration that you are entitled to under this Consulting Agreement.

(b) Promptly after the date of this Consulting Agreement, the Company will cause a registration statement on Form S-8 to be filed with the Securities and Exchange Commission for the purpose of registering 17,000 shares of Common Stock of the Company issuable to you pursuant to Paragraph 3(a) above.

(4) This Consulting Agreement shall be on a project basis and have no set term. Any renewal or extension of this Consulting Agreement shall be upon a new written agreement signed by each of the parties.

(5) You will not directly or indirectly disclose to any other person, firm or corporation, nor use for your own benefit during or after the term of this Consulting Agreement, any trade secrets or other information designated as confidential by the Company which is acquired by you in the course of performing services hereunder. Trade secrets can include, but are not limited to, products or services under development, production methods and processes, sources of supply, customer lists, marketing plans, information concerning the filing or pendency of patent applications and information concerning the issuance of any securities of the Company.

(6) In performing your duties as set forth in this Consulting Agreement, you shall abide by all applicable laws, including federal and state securities laws, and shall make all disclosures required by such laws, including disclosures required as a result of you entering into this Consulting Agreement with the Company.

(7) You hereby represent that you have obtained all licenses or registrations required in order to perform the services set forth in the Consulting Agreement. You also hereby represent that you are not prohibited from entering into this Consulting Agreement or from performing your obligations hereunder by any law, regulation, contract, decree, order or agreement.

(8) You and the Company hereby acknowledge that you are an independent contractor. You shall not hold yourself out as, nor shall you take any action from which others might infer, that you are a partner, agent or joint venturer of the Company.

(9) This Consulting Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and supersedes and cancels any prior communications, understandings and agreements between the parties. This Consulting Agreement cannot be modified or changed, nor can any of its provisions be waived, except by written agreement signed by all parties.

(10) This Consulting Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. Any dispute arising out of this Consulting Agreement shall be adjudicated in the courts of the Commonwealth of Pennsylvania or in the federal courts located within the Commonwealth of Pennsylvania.

Robert, please indicate your acceptance of the terms of this Consulting Agreement by signing and dating below where indicated and returning it to me.

USA TECHNOLOGIES, INC.

By: /s/ George R. Jensen, Jr.  
-----  
George R. Jensen, Jr.  
President and Chief Executive Officer

ACCEPTED:

/s/ Robert J. Flaherty  
-----  
Robert J. Flaherty