

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

100 Deerfield Lane, Suite 140  
Malvern, Pennsylvania 19355  
(Address of principal executive offices and zip code)

USA TECHNOLOGIES 2004-A STOCK COMPENSATION PLAN  
(full title of the plan)

George R. Jensen, Jr.  
Chief Executive Officer  
USA Technologies, Inc.  
100 Deerfield Lane, Suite 140  
Malvern, Pennsylvania 19355  
(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, P.C.  
2005 Market Street: Suite 2340  
Philadelphia, PA 19103  
(215) 665-9300

CALCULATION OF REGISTRATION FEE

Title of Securities to be Offered	Amount to be Registered	Maximum Offering Price Per share (1)	Proposed Maximum Aggregate Offering Price (1)	Proposed Amount of Registration Fee(1)
Common Stock	500,000(1)	\$0.18	\$90,000	\$11.40

(1) Estimated solely for purposes of calculating the registration fee. Pursuant to Rule 457(c), the registration fee has been calculated at the average of the bid and asked price within 5 days prior to the date of the filing of the applicable registration statement.

PART I  
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information

The information required by Part I is included in documents sent or given to participants in the Registrant's 2004-A Stock Compensation Plan to which this registration statement relates pursuant to Rule 428(b)(1) of the Securities Act of 1933, as amended ("Act").

## Item 2. Registrant Information and Employee Plan Annual Information

The Registrant will provide participants, upon written or oral request and without charge, a copy of the documents incorporated by reference in Item 3 of Part II, which are incorporated by reference in the Section 10(a) prospectus, and all documents required to be delivered to plan participants pursuant to Rule 428(b) under the Act.

## PART II

### INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

## Item 3. Incorporation of Documents by Reference

The Registrant's annual report on Form 10-KSB for the fiscal year ended June 30, 2003, the quarterly report on Form 10-QSB for the quarter ended September 30, 2003, the quarterly report on Form 10-QSB for the quarter ended December 31, 2003, the quarterly report on Form 10-QSB for the quarter ended March 31, 2004 and the Definitive Proxy Statement on Schedule 14-A filed with the Securities and Exchange Commission on December 15, 2003 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.

## Item 4. Description of Securities

The Company is proceeding with the registration of 500,000 shares of Common Stock to be issued to the Company's current and future employees, directors and consultants pursuant to the Company's 2004-A Stock Compensation Plan. The Company's 2004-A Stock Compensation Plan was approved by the Board of Directors on April 9, 2004.

The Company's Articles of Incorporation presently authorizes the issuance of up to 475,000,000 shares of Common Stock, no par value. As of May 31, 2004, there were 339,453,012 shares of Common Stock issued and outstanding.

The holders 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

Douglas M. Lurio, Esquire, President of Lurio & Associates, P.C., securities counsel to the Company, was the beneficial owner of 921,463 shares of Common Stock on May 31, 2004.

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 Exhibit Index immediately preceding the exhibits is incorporated herein by reference.

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 in the aggregate, 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 Malvern, Pennsylvania, on July 1, 2004.

USA TECHNOLOGIES, INC.

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

Pursuant to the requirements of the Securities Exchange Act of 1933, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures -----	Title -----	Date -----
/s/ George R. Jensen, Jr. ----- George R. Jensen, Jr.	Chairman of the Board of Directors, Chief Executive Officer (Principal Executive Officer)	July 1, 2004
/s/ Mary West Young ----- Mary West Young	Chief Financial Officer (Principal Accounting Officer)	July 1, 2004
/s/ William W. Sellers ----- William W. Sellers	Director	July 1, 2004
/s/ Stephen P. Herbert ----- Stephen P. Herbert	President, Chief Operating Officer, Director	July 1, 2004
/s/ William L. Van Alen, Jr. ----- William L. Van Alen, Jr.	Director	July 1, 2004
/s/ Douglas M. Lurio ----- Douglas M. Lurio	Director	July 1, 2004
/s/ Steven Katz ----- Steven Katz	Director	July 1, 2004

Exhibit No.	Description
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5.1	Opinion of Lurio & Associates, P.C.
10.1	USA Technologies, Inc. 2004-A Stock Compensation Plan
23.1	Consent of Registered Public Accounting Firm

[Lurio & Associates, P.C. Letterhead]

July 1, 2004

USA Technologies, Inc.  
100 Deerfield Lane, Suite 140  
Malvern, PA 19355  
Attn.: George R. Jensen, Jr.  
Chief Executive Officer

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 500,000 shares of Common Stock of the Company issuable pursuant to the USA Technologies 2004-A Stock Compensation Plan (the "Plan").

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 Plan; 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.

We assume that appropriate action will be taken, prior to the offer and sale of the shares in accordance with the Plan, to register and qualify the shares for sale under all applicable state securities or "blue sky" laws.

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 Plan, 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,

/s/ LURIO & ASSOCIATES, P.C.

USA TECHNOLOGIES, INC.  
2004-A STOCK COMPENSATION PLAN

1. Purpose. The purpose of the USA Technologies, Inc. 2004-A Stock Compensation Plan is to provide an incentive to Employees, Consultants and Directors of the Company who are in a position to contribute materially to the long-term success of the Company, to increase their interest in the Company's welfare, and to aid in gaining the services of Employees, Consultants and Directors of outstanding ability who will contribute to the Company's success.

2. Definitions.

2.1 "Award" means an award of Stock under the Plan.

2.2 "Board" means the Board of Directors of USA Technologies, Inc.

2.3 "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code shall include any successor to such section.

2.4 "Committee" means the committee designated by the Board to administer the Plan under Section 4.

2.5 "Common Stock" means USA common stock, no par value per share, or such other class or kind of shares of capital stock or other securities as may result from the application of Section 8 hereof.

2.6 "Company" means USA and any successor thereof.

2.7 "Consultant" means a consultant retained to provide bona fide services to, and who is not an employee of USA.

2.8 "Director" means each director of USA who is not an employee of USA.

2.9 "Employee" means an officer or employee of the Company including a director who is such an employee.

2.10 "Fair Market Value" means, on any given date, the mean between the high and low prices of actual sales of Common Stock on the principal national securities exchange on which the Common Stock is listed on such date, or, if the Common Stock was not so listed, the average closing bid price of the stock for each of the five trading days prior to such date.

2.11 "Holder" means an Employee, Director or Consultant to whom an Award is made.

2.12 "USA" means USA Technologies, Inc., a Pennsylvania corporation and any successor thereto.

2.13 "1933 Act" means the Securities Act of 1933, as amended.

2.14 "Plan" means the USA 2004-A Stock Compensation Plan herein set forth, as amended from time to time.

2.15 "Stock" means Common Stock awarded by the Committee under Section 6 of the Plan.

2.16 "SEC" means the United States Securities and Exchange Commission.

3. Eligibility. Any Employee, Eligible Director and Eligible Consultant is eligible to receive an Award.

4. Administration of Plan.

4.1 The Plan shall be administered and interpreted by the Committee, which shall have full authority to act in selecting Employees, Directors and Consultants to whom Awards will be made, in determining the type and amount of Awards to be granted to each such Holder, the terms and conditions of Awards and the terms of agreements which will be entered into with Holders in connection with Awards. The Committee shall be appointed by the Board and shall have at least one member and shall act unanimously in all matters.

4.2 The Committee's powers shall include, but not be limited to, the power to determine whether, to what extent and under what extent and under what



circumstances an Award is made.

4.3 The Committee shall have the power to adopt regulations for carrying out the Plan and to make such changes in such regulations as it shall from time to time deem advisable. The Committee shall have the power unilaterally and without approval of a Holder to amend any existing Award in order to carry out the purposes of the Plan so long as such amendment does not deprive the Holder of any benefit granted by the Award and so long as the amended Award comports with the terms of the Plan. Amendments adverse to the interests of the Holder must be approved by the Holder. Any interpretation by the Committee of the terms and provisions of the Plan and the administration thereof, and all action taken by the Committee, shall be final and binding on Plan participants.

## 5. Shares of Stock Subject to the Plan.

5.1 Subject to adjustment as provided in Section 7, the total number of shares of Common Stock available for Awards under the Plan shall be 500,000 shares.

5.2 Any shares issued hereunder may consist, in whole or in part, of authorized and unissued shares or treasury shares. If any shares subject to any Award granted hereunder are forfeited or such Award otherwise terminates without the issuance of such shares, the shares subject to such Award, to the extent of any such forfeiture or termination, shall again be available for Awards under the Plan.

## 6. Stock.

An Award of Stock is a grant by the Company of a specified number of shares of Common Stock to the Holder, which shares are subject to forfeiture upon the happening of specified events. Such an Award shall be subject to the following terms and conditions:

6.1 Stock may be evidenced by Stock agreements. Such agreements shall conform to the requirements of the Plan and may contain such other provisions as the Committee shall deem advisable.

6.2 Upon determination of the number of shares of Stock to be granted to the Holder, the Committee shall direct that a certificate or certificates representing the number of shares of Common Stock be issued to the Holder with the Holder designated as the registered owner.

6.3 The Committee may condition the grant of an Award of Stock upon the Holder's achievement of one or more performance goal(s) specified in the Stock agreement. If the Holder fails to achieve the specified performance goal(s), the Committee shall not grant the Stock to the Holder, or the Holder shall forfeit the Award of Stock and the Common Stock shall be forfeited to the Company.

6.4 The Stock agreement if any, shall specify the performance, employment or other conditions (including termination of employment on account of death, disability, retirement or other cause) under which the Stock may be forfeited to the Company.

7. Adjustments Upon Changes in Capitalization. In the event of a reorganization, recapitalization, stock split, spin-off, split-off, split-up, stock dividend, issuance of stock rights, combination of shares, merger, consolidation or any other change in the corporate structure of USA affecting Common Stock, or any distribution to stockholders other than a cash dividend, the Board shall make appropriate adjustment in the number and kind of shares authorized by the Plan as it determines appropriate. No fractional shares of stock shall be issued pursuant to such an adjustment, but an amount equivalent to the portion of Fair Market Value attributable to any such fractional shares shall, where appropriate, be paid in cash to the Holder.

8. Termination and Amendment. The Plan shall remain in full force and effect until terminated by the Board. The Board shall have the power to amend, suspend or terminate the Plan at any time.

9. Form S-8. Promptly upon the approval of this Plan by the Board of Directors of USA, the Company shall, at its cost and expense, register all of the Stock under the 1933 Act pursuant to Form S-8. Notwithstanding anything else set forth herein, an Award shall not be made to any Director, Consultant or Employee unless such person is eligible to receive Stock which has been registered under a Form S-8. In this regard, any Stock issuable to a Consultant or Director shall be issued to an individual who provided bona fide services to USA and such services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for USA's securities. In connection with the issuance of any Stock pursuant to the Plan, USA shall at its expense, use its best efforts to have any such Stock exempted from the registration requirements under applicable state securities laws.

10. General Provisions.

10.1 The Plan shall become effective upon its approval by the Board.

10.2 Nothing contained in the Plan, or an Award granted pursuant to the Plan, shall confer upon an Employee any right with respect to continuance of employment by the Company or upon any Director or Consultant any right with respect to continuance of Board service or the consulting arrangement (as the case may be), nor interfere in any way with the right of the Company to terminate such relationships at any time.

10.3 For purposes of this Plan, transfer of employment between USA and any Subsidiary shall not be deemed termination of employment.

10.4 Holders shall be responsible to make appropriate provision for all taxes required to be withheld in connection with any Award. Such responsibility shall extend to all applicable federal, state, local or foreign withholding taxes. Agreements evidencing Awards shall contain appropriate provisions to effect withholding. The Plan is not qualified under Section 401(a) of the Internal Revenue Code.

10.5 To the extent that federal laws (such as the 1934 Act, the Code or the Employee Retirement Income Security Act of 1974) do not otherwise control, the Plan and all determinations made and actions taken pursuant hereto shall be governed by the law of the Commonwealth of Pennsylvania and construed accordingly.

10.6 Additional information may be obtained about the Plan and the Plan administrators by writing the Company at 100 Deerfield Lane, Suite 140, Malvern, PA 19355, Attn: Stephen P. Herbert, or by calling 610-989-0340.

Dated: April 9, 2004

CONSENT OF REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-00000) pertaining to the registration of 500,000 shares of Common Stock of USA Technologies, Inc. of our report dated September 12, 2003, except for Note 17, as to which the date is September 30, 2003, with respect to the consolidated financial statements of USA Technologies, Inc. included in its Annual Report (Form 10-KSB) for the year ended June 30, 2003, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania  
July 1, 2004