

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>DEMEDIO DAVID M</u> (Last) (First) (Middle) <u>100 DEERFIELD LANE</u> <u>SUITE 140</u> (Street) <u>MALVERN PA 19355</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>USA TECHNOLOGIES INC [USAT]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner Officer (give title below) Other (specify below) X <u>CHIEF FINANCIAL OFFICER</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/11/2006</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
COMMON STOCK							2,011	D		

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
NON-QUALIFIED STOCK OPTION (RIGHT TO BUY)	\$7.5	05/11/2006		A		7,000 ⁽¹⁾		(2)	(2)	COMMON STOCK	\$0	7,000	D	
SENIOR NOTE - \$5,000 PRINCIPAL AMT.	\$20	05/08/2006		J ⁽³⁾		5,000 ⁽³⁾		12/31/2000	12/31/2006	COMMON STOCK	\$0	0	D	
NON-QUALIFIED STOCK OPTION (RIGHT TO BUY)	\$20							(4)	(5)	COMMON STOCK		3,000	D	
SENIOR NOTE - \$7,500 PRINCIPAL AMT.	\$20							01/10/2002	12/31/2007	COMMON STOCK		375	D	
SENIOR NOTE - \$1,900 PRINCIPAL AMT.	\$10							11/30/2004	06/30/2007	COMMON STOCK		190	D	

Explanation of Responses:

- THE OPTIONS GRANTED VEST AS FOLLOWS: 2,334 ON 5/11/06; 2,333 ON 6/30/07; AND 2,333 ON 6/30/08.
- THE OPTIONS ARE EXERCISABLE AT ANYTIME WITHIN FIVE YEARS FOLLOWING THE DATE OF VESTING.
- THE SENIOR NOTE WAS NOT CONVERTED INTO COMMON STOCK. THE PRINCIPAL AMOUNT WAS PREPAID BY THE ISSUER.
- MR. DEMEDIO'S OPTIONS WILL VEST AS FOLLOWS: 375 OPTIONS TO VEST ON JULY 31, 2005 WITH 375 ADDITIONAL OPTIONS TO VEST ON EACH THREE MONTH ANNIVERSARY OF SUCH DATE, WITH THE FINAL 375 OPTIONS TO VEST ON APRIL 30, 2007. THE OPTIONS ARE EXERCISABLE WHEN VESTED.
- THE OPTIONS WILL EXPIRE 2 YEARS AFTER THE DATE ON WHICH THEY VEST.

/S/ DAVID M. DEMEDIO

05/15/2006

** Signature of Reporting Person

Date

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

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

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

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.