
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): July 24, 2015

USA TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of incorporation or
organization)

001-33365
(Commission File Number)

23-2679963
(I.R.S. Employer Identification No.)

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

Registrant's telephone number, including area code: 610-989-0340

n/a
Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On August 4, 2015, USA Technologies, Inc. (the “Company”) issued a press release announcing the appointment of David M. DeMedio, age 44, its current Chief Financial Officer (“CFO”), to the newly created executive officer role of Chief Services Officer (“CSO”), and J. Duncan Smith, age 56, as the Company’s CFO, effective August 31, 2015. Mr. DeMedio will continue to serve as CFO of the Company until August 31, 2015.

J. Duncan Smith

From April 2005 until July 2015, Mr. Smith served as the CFO, Executive Vice President, and Treasurer of Bryn Mawr Bank Corporation, in Bryn Mawr, Pennsylvania (NASDAQ:BMTC), a \$3 billion bank holding company for The Bryn Mawr Trust Company and its subsidiaries. In such role, Mr. Smith oversaw all financial functions and was also responsible for treasury functions, capital market activities and investor relations. From March 1993 until March 2005, Mr. Smith was the CFO of First Chester County Corporation in West Chester, Pennsylvania, a community bank holding corporation. From April 1998 to March 1993, Mr. Smith served as CFO of Security First Bank, in Media, Pennsylvania, a start-up banking operation. Mr. Smith is a certified public accountant.

On July 22, 2015, the Company and Mr. Smith entered into a letter agreement which was approved by the Board of Directors on July 24, 2015. As set forth in the letter agreement, Mr. Smith will be employed as the Company’s CFO commencing August 31, 2015, receive an annual base salary of \$265,000, and participate in the Company’s Fiscal Year 2016 Short-Term Incentive Plan (the “2016 STI Plan”) and Fiscal Year 2016 LTI Stock Plan (the “2016 LTI Stock Plan”). The 2016 STI Plan and 2016 Long-Term Stock Incentive Plan were previously described in the Form 8-K filed by the Company on July 30, 2015, which is incorporated herein by reference. If all of Mr. Smith’s target goals are achieved under the 2016 STI Plan, he would earn a cash bonus of \$66,250 (25% of base salary) and if all of the maximum distinguished target goals are achieved, he would earn a cash bonus of \$132,500 (50% of base salary). If all of the year-over-year percentage target goals are achieved under the 2016 LTI Stock Plan, Mr. Smith would be awarded shares having a value of \$198,750 (75% of base salary) and if all of the maximum distinguished year-over-year percentage target goals are achieved, Mr. Smith would be awarded shares having a value of \$397,500 (150% of base salary). In addition to the compensation arrangements set forth in the letter agreement, Mr. Smith was awarded non-qualified stock options to purchase up to 90,000 shares at an exercise price of \$3.38 per share. The options vest as follows: one-third on August 1, 2016; one-third on August 1, 2017; and one-third on August 1, 2018. The options expire if not exercised prior to August 1, 2022.

A copy of the letter agreement is attached hereto as Exhibit 10.1 to this Form 8-K and is incorporated herein by reference. The above summary of the letter agreement does not purport to be complete and is subject to and qualified in its entirety by reference to the attached letter agreement.

David M. DeMedio

Mr. DeMedio joined the Company on a full-time basis in March 1999, and has served as the Company's CFO since April 2005. In his new role of CSO, Mr. DeMedio will be responsible for overseeing the Company's ePort Connect Service as well as network and payment security on behalf of the Company's ePort Connect customers.

As previously reported in the Form 8-K filed by the Company on July 30, 2015, which is incorporated herein by reference, the Board of Directors approved certain compensation arrangements for Mr. DeMedio which became effective on July 24, 2015. Except for Mr. DeMedio's new role as CSO, and the foregoing compensation arrangements, the terms of Mr. DeMedio's employment with the Company will remain the same.

Item 7.01. Regulation FD Disclosure.

On August 4, 2015, the Company issued a press release announcing Mr. DeMedio's appointment as CSO and Mr. Smith's appointment as CFO. A copy of the press release is attached as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	Letter Agreement dated July 22, 2015, by and between the Company and J. Duncan Smith
99.1	Press Release dated August 4, 2015

SIGNATURES

Pursuant to the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

USA TECHNOLOGIES, INC.

Dated: August 4, 2015

By: /s/ Stephen P. Herbert
Stephen P. Herbert,
Chairman and Chief Executive Officer

Index to Exhibits

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10.1	Letter Agreement dated July 22, 2015, by and between the Company and J. Duncan Smith
99.1	Press Release dated August 4, 2015

[USAT Letterhead]

July 22, 2015

Mr. J. Duncan Smith
P.O. Box 104
Bryn Mawr, PA 19010

Dear Duncan:

I am pleased to extend to you an offer of employment to join USA Technologies, Inc. ("USAT") as Chief Financial Officer. In your role as Chief Financial Officer, you will report to me. Your first day of employment will be Monday, August 31, 2015.

This offer is contingent upon approval of this letter by our Board of Directors which is expected to be on Friday, July 24, 2015.

The following are the terms of your employment:

- Your annual base salary will be \$265,000.
 - You will devote your full time, energy, skills and attention to the business of USAT, and shall not be engaged or employed in any other business activity whatsoever, whether or not such activity is pursued for gain, profit or other pecuniary advantage.
 - The Compensation Committee of USAT's Board of Directors, in consultation with me, shall annually review your compensation.
 - You will participate in the Fiscal Year 2016 Short-Term Incentive Plan of USAT, which is anticipated to be approved by the Board, and which will cover USAT's executive officers. The Fiscal Year 2015 Short-Term Incentive Plan provided for a cash bonus to the executive officers if USAT achieved certain annual financial goals as well as certain individual performance goals which were established by the Compensation Committee. Subject to approval of the Fiscal Year 2016 Short-Term Incentive Plan by the Board, if the target goals would be achieved, you would earn a cash bonus equal to 25% of your base salary.
 - You will participate in the Fiscal Year 2016 Long-Term Incentive Stock Plan of USAT, which is anticipated to be approved by the Board, and which will cover USAT's executive officers. The Fiscal Year 2015 Long-Term Incentive Stock Plan provided for an award of shares of common stock of USAT to the executive officers in the event that certain metrics relating to the Company's 2015 fiscal year resulted in specified ranges of year-over-year percentage growth. Subject to approval of the Fiscal Year 2016 Long-Term Incentive Stock Plan by the Board, if the year-over-year percentage target goals would be achieved, you would earn an award of shares with a value equal to 75% of your base salary. The shares would vest as follows, provided that you are employed by USAT on the respective vesting dates: one-third at the time of issuance; one-third on the first anniversary of issuance; and one-third on the second anniversary of issuance.
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- The financial metrics to be utilized in connection with the incentive plans referred to above would be based upon the fiscal year 2016 financial plan to be presented by management to the Board of Directors. Your individual performance goals would be established by the Compensation Committee in consultation with me.
- The term of your employment is “at will,” which means that you or USAT may end your employment at any time and for any reason.
- You would be covered by and entitled to all of the fringe benefits that are generally available to USAT employees, including health insurance, dental insurance, group life and disability insurance, and matching 401(k) plan. Please note that USAT’s benefits program is subject to change and any such change would supersede this letter.
- You will be covered as an executive officer of USAT under our Directors & Officers liability insurance policy.
- Like all USAT employees, you will be required, as a condition of your employment with USAT, to sign the Receipt and Acknowledgement of USAT’s Employee Manual, a copy of which is attached.
- You acknowledge that you have reviewed the following policies of USAT, and agree to comply with these (and any other applicable) policies: Code of Business Conduct and Ethics, as amended; Blackout Period and Notification Policy; and Stock Ownership Guidelines for Directors and Executive Officers.

This letter constitutes our entire agreement and understanding regarding the matters addressed herein, and merges and supersedes all prior or contemporaneous discussions, agreements and understandings of every nature between us regarding these matters.

This letter will be governed by, and enforced in accordance with, the laws of the Commonwealth of Pennsylvania, without regard to the application of the principles of conflicts of laws.

Duncan, we are very much looking forward to your joining the USAT team! Please indicate your written acceptance by signing this letter and returning it to me by email.

Sincerely,

/s/ Stephen P. Herbert
Stephen P. Herbert,
Chief Executive Officer

Accepted and Agreed to:

/s/ J. Duncan Smith
J. Duncan Smith, CPA

Dated: July 22, 2015

NEWS

USA Technologies, Inc.
100 Deerfield Lane, Suite 140
Malvern, PA 19355
T (800) 633 -0340

USA TECHNOLOGIES EXPANDS AND STRENGTHENS MANAGEMENT TEAM WITH INDUSTRY VETERAN

Appoints New Chief Financial Officer and Creates Chief Services Officer Position

Announces 333,000 Connections as of June 30, 2015

Solid Progress Toward Growth Goals As Company Remains on Track

MALVERN, PA. – August 4, 2015 - USA Technologies, Inc. (NASDAQ:USAT) ("USAT"), a leader of wireless, cashless payment and M2M/IoT solutions for small-ticket, self-serve retailing industries, today announced the appointment of J. Duncan Smith, CPA, 56, as chief financial officer, effective August 31, 2015. Mr. Smith succeeds David M. DeMedio, 44, who transitions to the newly created position of chief services officer ("CSO") after having made significant contributions to the company as its CFO since 2005. Mr. DeMedio will work closely with Smith to ensure a seamless transition.

"We added 31,000 net connections in the fourth quarter to end our fiscal year with 333,000 connections, and demonstrated solid execution on our strategic and financial goals which we will discuss further in our earnings call to be held during September 2015," said Stephen P. Herbert, chairman and chief executive officer, USA Technologies. "To support continued growth we are expanding our management team with the creation of a services role, CSO. Appointing our incumbent CFO to the position allows us to dedicate a C-level executive to oversee the ePort Connect Service, a substantial percentage of the company's current total revenue, and one of our highest-potential growth opportunities. Adding Duncan augments and deepens our executive team with his significant financial and operational expertise, as well as his public company experience. With the expansion of our team and increased breadth, USA Technologies can better focus on an important component of our growth strategy and which we believe will drive increased competitive advantage."

"It is an exciting time to join USA Technologies," said Smith. "USAT is positioned to take advantage of the significant untapped opportunities in the payment services market, with its unsurpassed long-standing commitment to innovation, technology and customer service."

Smith, CPA, a seasoned executive with over 35 years of progressive leadership and financial management experience, will oversee all financial management, control, compliance and planning functions for USAT, along with significant roles in investor relations and corporate operations.

“Dave is an important member of the USA Technologies leadership team. He has been instrumental in helping to guide USAT through a period of significant change in our industry,” said Herbert. “We see the new CSO position as critical to the future success of USA Technologies. Dave is the best person for the job, and we know that he will continue to significantly contribute to what is now a stronger company, better positioned to deliver long-term value to our shareholders, and produce continuously better products and services to our customers.”

Smith joins USAT from Bryn Mawr Bank Corporation, Bryn Mawr, Pennsylvania (NASDAQ:BMTC), a \$3 billion bank holding company for The Bryn Mawr Trust Company and its subsidiaries, where he served as CFO and Treasurer since 2005. During his 10 year tenure at BMTC, he oversaw all financial functions as the company experienced significant growth in key financial metrics including an increase in its market capitalization from approximately \$150 million to over \$500 million. Smith was an integral part of BMTC’s success as it grew both organically and through a series of eight acquisitions. He was also responsible for treasury functions, capital market activities and investor relations and was an active participant in investor road shows, earnings calls and institutional conferences.

Previously, he spent 12 years in a similar role with First Chester County Corporation in West Chester, Pennsylvania, and five years with a denovo (start up) banking operation. Smith also had approximately seven years’ of experience with several public accounting firms including Grant Thornton and Ernst & Young. Smith has an undergraduate degree in accounting, a masters in taxation and his MBA.

DeMedio joined USAT in 1999, serving as controller and director of Network and Financial Services. He was promoted to the role of chief financial officer in 2005, where he oversaw all aspects of the Company’s financial planning, reporting and treasury functions and was the key liaison with USA Technologies’ wireless and transaction processing partners. In the newly created position of chief services officer, he will be responsible for continuing to provide, and scale, the highest level of service to our customers, and their consumers, as well as delivering new and innovative services to these markets, with the goal of driving increasing value to both our customers and shareholders. In addition, he will oversee the network and payment security on behalf of the Company’s ePort Connect customers and consumers, including being responsible for USA Technologies’ compliance with industry standards such as the Payment Card Industry (PCI).

About USA Technologies

USA Technologies is a leader of wireless, cashless payment and M2M/IoT telemetry solutions for small-ticket, self-serve retailing industries. ePort Connect® is the company's flagship service platform, a PCI-compliant, end-to-end suite of cashless payment and telemetry services specially tailored to fit the needs of small ticket, self-service retailing industries. USA Technologies also provides a broad line of cashless acceptance technologies including its NFC-ready ePort® G-series, ePort Mobile™ for customers on the go, and QuickConnect, an API Web service for developers. USA Technologies has been granted 87 patents; and has agreements with Verizon, Chase Paymentech, Visa, MasterCard, and customers such as Compass and others. Visit the website at www.usatech.com.

Forward-looking Statements:

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: All statements, other than statements of historical fact included in this release, are forward-looking statements. When used in this release, words such as "anticipate", "believe", "estimate", "expect", "intend", and similar expressions, as they relate to USA Technologies or its management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of USA Technologies' management, as well as assumptions made by and information currently available to USA Technologies' management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including but not limited to, the ability of management to accurately predict or forecast future earnings, cash flow or net income of USAT; the incurrence by us of any unanticipated or unusual non-operational expenses which would require us to divert our cash resources from achieving our business plan; the ability of USAT to retain key customers from whom a significant portion of its revenues is derived; the ability of USAT to compete with its competitors to obtain market share; whether USAT's customers continue to utilize USAT's transaction processing and related services, as our customer agreements are generally cancelable by the customer on thirty to sixty days' notice; the ability of USAT to obtain widespread commercial acceptance of its products; the ability to prevent a security breach of our systems or services or third party services or systems utilized by us; whether any patents issued to USAT will provide USAT with any competitive advantages or adequate protection for its products, or would be challenged, invalidated or circumvented by others; the ability of USAT to operate without infringing the proprietary rights of others; and whether USAT's existing or anticipated customers purchase, rent or utilize ePort devices or our other products or services in the future at levels currently anticipated by USAT. Readers are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement made by us in this release speaks only as of the date of this release. Unless required by law, USAT does not undertake to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

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