

**UNITED STATES
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): **September 18, 2020**

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)

232679963

(IRS employer
identification number)

**100 Deerfield Lane, Suite 300
Malvern, Pennsylvania**

(Address of principal executive offices)

19355

(Zip code)

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

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Chief Accounting Officer

On September 15, 2020, USA Technologies, Inc. (the “Company”) appointed Scott Stewart to fill the role of Chief Accounting Officer of the Company, effective immediately.

Mr. Stewart, age 47, previously served, from 2018 – 2020, as Assistant Controller of Intercontinental Exchange Inc., a publicly traded company developing technology platforms for major markets at key phases of the investing, trading, hedging, and capital raising lifecycle. As Assistant Controller, Mr. Stewart was responsible for overseeing corporate accounting, including management and oversight of the financial consolidation process, production of external financial statements, implementation of new accounting standards, maintaining corporate controls, and compliance with Sarbanes-Oxley across all accounting processes. Mr. Stewart’s previous roles at Intercontinental Exchange Inc. included Senior Director (2014 – 2018), Director (2011 – 2014), and Manager (2007 – 2011). Mr. Stewart is a Certified Public Accountant, and prior to his employment with Intercontinental Exchange Inc., Mr. Stewart was a Senior Auditor at Ernst & Young (where he was employed from 2003 - 2007).

The Company has entered into an offer letter with Mr. Stewart, dated as of August 6, 2020 (the “Stewart Agreement”), pursuant to which Mr. Stewart has commenced employment as the Company’s Chief Accounting Officer, effective as of September 15, 2020. The Stewart Agreement provides Mr. Stewart with a base salary of \$275,000 per year (reduced by 20% through December 31, 2020 as part of the Company’s COVID-19-related executive compensation reductions), a target bonus opportunity for fiscal 2021 equal to \$125,000 (with a minimum fiscal 2021 bonus of \$62,500), and an annual equity award opportunity of up to 20% of his base salary. Mr. Stewart is also eligible to receive a one-time cash signing bonus of \$50,000 after he has been employed with the Company for 30 days.

In addition, Mr. Stewart will be awarded an initial equity grant of 125,000 stock options under the Company’s 2018 Equity Incentive Plan (as amended, the “Plan”), with an exercise price equal to the fair market value of a share of the Company’s common stock on the grant date, subject to the terms of a Non-Qualified Stock Option Agreement issued under the Plan. Fifty percent of the stock options will be eligible to vest in three equal annual installments on the first three anniversaries of September 15, 2020, subject to Mr. Stewart’s continued employment through the applicable vesting date. The remaining 50% of the options will also be eligible to vest in three equal installments on the first three anniversaries of September 15, 2020, subject to Mr. Stewart’s continued employment through the applicable vesting date and so long as certain annual performance goals to be established by the Compensation Committee are achieved for each fiscal year that ends immediately prior to the applicable vesting date. If at least 80% of the performance goals for an applicable fiscal year are achieved, the Compensation Committee may determine that the portion of the option eligible to vest in respect of such fiscal year will vest on a prorated basis.

The Stewart Agreement contains customary restrictive covenants, including a perpetual confidentiality covenant, as well as a non-compete, non-solicit of customers, and non-solicit of employees that each apply for one year following any termination.

There is no arrangement or understanding between Mr. Stewart and any other persons in connection with Mr. Stewart's appointment as Chief Accounting Officer (other than the Stewart Agreement), and Mr. Stewart has no family relationship with any director or executive officer of the Company. Mr. Stewart has no direct or indirect material interest in any transaction with the Company that is reportable under Item 404(a) of Regulation S-K, nor have any such transactions been proposed.

The foregoing summary of the Stewart Agreement does not purport to be complete and is qualified in its entirety by the complete text of the Stewart Agreement which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

End of Appointment of Former Chief Accounting Officer

In connection with the appointment of Mr. Stewart as the Company's Chief Accounting Officer, the appointment of Glen Goold as the Company's Chief Accounting Officer ended on September 15, 2020.

Item 7.01 Regulation FD Disclosure.

On September 18, 2020, the Company issued a press release announcing the appointment of Mr. Stewart as Chief Accounting Officer. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is furnished herewith.

The press release furnished pursuant to Item 7.01 of this Form 8-K (Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities under that Section. Furthermore, the press release shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>Offer Letter, by and between Scott Stewart and USA Technologies, Inc., dated as of August 6, 2020.</u>
<u>99.1</u>	<u>Press release dated September 18, 2020.</u>

SIGNATURES

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

USA TECHNOLOGIES, INC.

By: /s/ Davina Furnish _____
Davina Furnish
General Counsel and Secretary

Dated: September 18, 2020



8/6/2020

Scott Stewart

[***]

Dear Scott:

We are pleased to extend you an offer of employment with USA Technologies, Inc. ("USAT" or "the Company") as Chief Accounting Officer with a tentative start date of September 15, 2020. In your role as Chief Accounting Officer, you will report to USAT's Chief Financial Officer ("CFO"). This position will be located in our Atlanta, GA office, will travel to Malvern, PA as necessary.

The following are the terms of your employment:

- Your annual base salary will be \$275,000.00, reduced by 20% through the date of 12/31/20.
- An additional signing bonus consistent of a cash payment of \$50,000 is to be paid thirty (30) days after your first day of employment, provided you are employed by USAT on such date. The payment shall be subject to customary payroll and tax withholdings and deductions.
- In addition to the compensation stated above, you are eligible for (i) the USAT Bonus Plan for Fiscal Year 2021 ("USAT Bonus Plan") of up to \$125,000.00 and (ii) \$62,500.00 ("Guaranteed Bonus Amount") which is equal to 50% of your USAT Bonus Plan.
- You are eligible to participate in the Long-Term Incentive Stock Plan ("LTI") for USAT's executive officers. If the year-over-year percentage target goals would be achieved, you would earn an annual grant award up to 20% of your base salary in Restricted Stock with a three-year vesting period. The award value is subject to and contingent upon approval by the, CEO, CFO, and USAT Board of Directors and to the terms and conditions of the LTI Plan.
- USAT will grant you the option to purchase 125,000 shares of USAT stock options on or around your start date, exercisable at the closing price of the shares on the date of grant. The options would vest on the anniversary of your start date for the next three years, as follows, provided that you are employed by USAT on the respective vesting dates: 41,666 shares on the each anniversary date with one half of this number (20,833) contingent on operational performance targets assigned by the Board of Directors.
- The Compensation Committee of USAT's Board of Directors, in consultation with the Chief Executive Officer, shall annually review your compensation.



- You would be covered by and entitled to all the fringe benefits that are generally available to USAT employees, including health insurance, dental insurance, vision insurance, group life and disability insurance, and 401(k) plan.
- You become eligible for PTO on the first of the month following your date of hire and it will be prorated based on the number of months you work in your first calendar year. You will accrue 1.5 days monthly to a maximum of eighteen (18) days per year. In addition to your PTO, USAT observes seven (7) Company Holidays.
- 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.
- Employment with USAT is at-will, which means that either you or USAT may end the relationship at any time for any or no reason. The term "Cause" shall mean any of the following have occurred or exist as determined by USAT: (A) your fraud, gross malfeasance, or willful misconduct, with respect to USAT's business; (B) any material breach by you of this letter or any policy of USAT; (C) any violation by you of any law, rule or regulation, which violation results or could reasonably be expected to result in material harm to the business or reputation of USAT; (D) conviction of or the entry of a guilty plea or plea of no contest to any felony or to any other crime involving moral turpitude; (E) any intentional misapplication by you of USAT's funds, or any material act of dishonesty committed by you; or (F) any other action by you that, in the reasonable judgment of USAT, is damaging or detrimental in a significant way to USAT's business or reputation. For the purposes of this paragraph, the term USAT shall mean and include any affiliate (as such term is defined in Rule 144 under the Securities Act of 1933) of USAT, whether on the date of this letter or in the future, including but not limited to Cantaloupe Systems, Inc.
- Except in connection with your duties as Chief Accounting Officer, you shall not, directly or indirectly, at any time from and after the date hereof, and whether or not your employment with USAT has been terminated or has expired for any reason whatsoever, make any use of, exploit, disclose, or divulge to any other person, firm, or corporation, any confidential information, including but not limited to, proprietary information, trade secret, business secret, financial information, financial projections, documents, process, procedures, know-how, data, marketing information, marketing methods, marketing means, software information, intellectual property, special arrangement, or any other confidential information concerning the business or policies of USAT, or concerning USAT's customers, clients, accounts, or suppliers, that you learned as a result of, in connection with, through your employment with, or through your affiliation with USAT, but not information that can be shown through documentary evidence to be in the public domain, or information that falls into the public domain, unless such information falls into the public domain by your direct or indirect disclosure or other acts. You agree to use your best endeavors to prevent the unauthorized disclosure or publication of confidential information and not to copy nor remove confidential information from USAT's premises, whether physically or electronically, without the express written permission of USAT. For any and all purposes of this paragraph, the term USAT shall mean and include any affiliate (as such term is defined in Rule 144 under the Securities Act of 1933) of USAT, whether on the date of this letter or in the future, including but not limited to Cantaloupe Systems, Inc.



- For a one-year period following termination or expiration of your employment with USAT for any reason whatsoever, you will not (a) directly or indirectly, solicit for hire for any business entity other than USAT, any person employed by USAT as of the date of termination or expiration of your employment; or (b) directly or indirectly interfere with USAT's relations with any person employed by USAT as of the date of termination or expiration of your employment with USAT. Such restriction shall not limit any employee or candidate responding to a general job posting. For all purposes of this paragraph, the term USAT shall mean and include any affiliate (as such term is defined in Rule 144 under the Securities Act of 1933) of USAT, whether on the date of this letter or in the future, including but not limited to, Cantaloupe Systems, Inc.
- For a one-year period following termination or expiration of your employment with USAT for any reason whatsoever, you will be prohibited from soliciting any of USAT's customers in connection with engaging in a business competing with or similar to that of USAT as conducted as of the date of the termination or expiration of your employment, including but not limited to, delivering services or products to unattended retail locations, and any related production, promotion, marketing, or sales activities relating thereto. For all purposes of this paragraph, the term USAT shall mean and include any affiliate (as such term is defined in Rule 144 under the Securities Act of 1933) of USAT, whether on the date of this letter or in the future, including but not limited to, Cantaloupe Systems, Inc.
- For a one-year period following the termination or expiration of your employment with USAT for any reason whatsoever, you will be prohibited from competing within any geographic area in which USAT's business was conducted as of the date of termination or expiration of your employment, with the business of USAT, as presently or as hereinafter conducted as of the termination or expiration of your employment, including but not limited to, delivering services or products to unattended retail locations, and any related production, promotion, marketing, or sales activities. The term "competing" means acting, directly or indirectly, as a partner, principal, stockholder, joint venture, associate, independent contractor, creditor of, consultant, trustee, lessor to, sub-lessor to, employee or agent of, or to have any other involvement with, any person, firm, corporation, or other business organization which is engaged in the businesses described in this paragraph. For any and all purposes of this paragraph, the term USAT shall mean and include any affiliate (as such term defined in Rule 144 under the Securities Act of 1933) of USAT, including but not limited to, Cantaloupe Systems, Inc.
- You acknowledge that any breach by you of the obligations set forth in this letter would substantially and materially impair and irreparably harm USAT's business and goodwill; that such impairment and harm would be difficult to measure; and, therefore, total compensation in solely monetary terms would be inadequate. Consequently, you agree that in the event of any breach or any threatened breach by you of any of the provisions of this letter, USAT shall be entitled, in addition to monetary damages or other remedies, and without posting bond, to equitable relief, including injunctive relief, and to the payment by you of all costs and expenses incurred by USAT in enforcing the provisions thereof, including attorneys' fees. The



remedies granted to USAT in this letter are cumulative and are in addition to remedies otherwise available to USAT at law or in equity.

- You acknowledge that you will be subject to the following policies of USAT: Employee Manual; Code of Business Conduct and Ethics; Blackout Period and Notification Policy; and Stock Ownership Guidelines for Directors and Executive Officers as well as any other applicable policies that may be adopted by USAT from time to time.
- Nothing in this letter prohibits or prevents you from filing a charge with or participating, testifying, or assisting in any investigation, hearing, or other proceeding before any federal, state, or local government agency. You further understand that this letter does not limit your ability to make any disclosures that are protected under the whistleblower provisions of federal law or regulation. This letter does not limit your right to receive an award for information provided to any governmental agencies.
- If any term or provision of this letter or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this letter or the application of any such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this letter shall be valid and enforceable to the fullest extent permitted by law.
- You represent and warrant to USAT that you are not as of the date of this letter a party to or subject to any employment, non-compete, or similar agreement that would limit or prohibit, in whole or in part, the performance of your employment duties or responsibilities.

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 may only be modified by an agreement in writing executed by both USAT and you.

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.

The rights and obligations of both parties under this Agreement shall inure to the benefit of, and shall be binding upon, their respective personal representatives, heirs, successors and assigns. This Agreement, or any part hereof, may be assigned by USAT without your consent. This Agreement, or any part thereof, may not be assigned by you.



Your employment with USAT will also be subject to a satisfactory background investigation to be conducted by USAT.

Scott, 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,

USA Technologies, Inc.

By: /s/ Sean E. Feeney
Sean Feeney, Chief Executive Officer

Accepted and Agreed to:

By: /s/ Scott Stewart
Scott Stewart

Dated: 8/6/2020

USA TECHNOLOGIES NAMES SCOTT STEWART AS NEW CHIEF ACCOUNTING OFFICER

MALVERN, Pa -- September 18, 2020 -- [USA Technologies, Inc.](#) (OTC:USAT) (“USAT” or the “Company”), a cashless payments and software services company that provides end-to-end technology solutions for the self-service retail market, today announced the appointment of Scott Stewart as the Company’s new chief accounting officer (CAO), effective immediately. Mr. Stewart will lead the Company’s accounting operations, financial reporting, internal control processes and financial systems.

Mr. Stewart joins the Company after 13 years with the Intercontinental Exchange (ICE), which operates global exchanges such as the New York Stock Exchange (NYSE), and clearing houses across the globe. During his time at ICE, he served in various positions, most recently as Assistant Controller, where his responsibilities included managing and overseeing the production of external financial statements, implementation of new accounting standards, maintaining corporate controls, ensuring SOX compliance across all accounting processes, and working closely with the company’s Board and Audit Committee. Following ICE’s acquisition of NYSE, Mr. Stewart supervised the integration of NYSE’s accounting function into ICE’s accounting group, including the transition of employees, consolidation of job functions, roles and responsibilities and moving the NYSE accounting function from New York to Atlanta.

A graduate of Clemson University in South Carolina, Mr. Stewart holds both a Bachelor of Science in Accounting and Master of Professional Accountancy. He is also a certified public accountant.

“Scott is a highly accomplished accounting professional and brings strong knowledge of financial reporting requirements and internal controls to the Company’s finance organization,” said Wayne Jackson, chief financial officer, USA Technologies. “His extensive public Company experience, combined with strong financial acumen and leadership skills will be significant assets as we continue to position the Company for growth.”

Mr. Stewart will be based in the Company’s Atlanta office and report to Chief Financial Officer, Wayne Jackson. USAT’s current CAO, Glen Goold will stay with the Company to assist in the transition of his responsibilities.

Wayne Jackson continued, “We appreciate all of Glen’s contributions to the Company and wish him well in his future endeavors.”

About USA Technologies

USA Technologies, Inc. is a cashless payments and software services company that provides end-to-end technology solutions for the self-service retail market. USAT is transforming the unattended retail community by offering one integrated solution for payments processing, logistics, and back-office management. The Company’s enterprise-wide platform is designed to increase consumer engagement and sales revenue through digital payments, digital advertising and customer loyalty programs, while providing retailers with control and visibility over their operations and inventory. As a result, customers ranging from vending machine companies, to operators of micro-markets, gas and car charging stations, laundromats, metered parking terminals, kiosks, amusements and more, can run their businesses more proactively, predictably, and competitively.

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