

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 3, 2004

USA TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania	33-70992	23-2679963
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(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))

Item 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On September 3, 2004, USA Technologies, Inc. ("USA") entered into a
Technology Licensing Agreement (the "Licensing Agreement") with Mars Electronics
International, Inc., a Delaware corporation ("MEI"). Pursuant to the Licensing
Agreement, USA granted to MEI a non-exclusive, non-transferable license to
utilize certain intellectual property of USA so that MEI payment systems
providing for credit card and other non-cash forms of payment could connect to
USALive(R). USALive(R) is USA's network for services and credit card transaction
capability. The MEI payment systems utilizing the licensed intellectual property
of USA would be offered by MEI to its customers in connection with vending
machines and other automated retailing and merchandising applications, as well
as in the transportation, amusement, music, gaming and telecommunications
industries. Each MEI customer who purchases an MEI payment system utilizing the
licensed intellectual property would enter into an agreement with USA to connect
the MEI payment system to USALive(R). For each MEI payment system that is
connected to USALive(R), MEI would pay a one-time royalty to USA, and while each
MEI customer is connected to USALive(R), USA would pay to MEI a fixed monthly
amount. The Licensing Agreement provides for a term of 5 years.

The joint press release of USA and MEI announcing the Licensing Agreement is attached as Exhibit 99.1.

Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS

- (a) None.
- (b) None.
- (c) Exhibits.

99.1 Press release dated September 8, 2004

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.

By: /s/ George R. Jensen, Jr.

George R. Jensen, Jr.
Chief Executive Officer

Dated: September 13, 2004

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press release dated September 8, 2004

NEWS RELEASE

MEI Contact:

Jeff Jordan, Vice President Global Vending
Suzanne Beaudoin, Channel Marketing Manager.
Phone: (610) 430-2500
E-mail: jeff.jordan@effem.com

USA Technologies Contact:

George R. Jensen, Jr., Chairman & CEO
Stephen P. Herbert, President & COO
Phone: (800) 633-0340
E-mail: sherbert@usatech.com

Investor Relations Contact:

Ken Sgro
CEOcast, Inc.
Phone: (212) 732-4300

MEI AND USA TECHNOLOGIES JOIN FORCES TO BRING CASH AND CREDIT SOLUTIONS TO THE NORTH AMERICAN MARKETPLACE

MEI licenses USA Technologies' Intellectual Property for Their New Product Offering

WEST CHESTER, PA and MALVERN, PA, September 8, 2004 -- MEI, one of the world's leading manufacturers of payment systems, and USA Technologies, (OTC Bulletin Board: USTT) a global leader in cashless transaction services, announced today they had signed a technology licensing and sales agreement to bring a turn-key cash and credit card payment system to the vending market.

Under the agreement, MEI licensed USA Technologies' intellectual property so operators can connect to USALive(R) - USA Technologies' network for services and credit card transaction capability.

"MEI and USA Technologies together will provide a turn-key solution for operators that not only offers a new payment method and greater convenience for consumers, but a new stream of revenue and opportunity to increase profits," said Jeff Jordan, vice president of Global Vending, MEI. "The combined solution will improve the consumers' vending experience and will ultimately increase sales."

This agreement features a new product suite from MEI. The two products provide cash and credit card reading with supporting wireless communications. The MEI series 2000 combo acceptor consists of the industry leading MEI series 2000 bill acceptor with a debris-resistant, swipe-style credit card reader. Credit card transactions and communications to USALive are handled by the MEI EASITRAX(TM) remote data port. The MEI EASITRAX remote data port is an add-on device to the vending machine, which can manage credit card transactions as well as provide machine monitoring, First Walk Elimination and dynamic scheduling. The MEI EASITRAX remote data port has the capability to network machines for more efficient communications as well as having a number of different modules to communicate both wired and wirelessly with USALive.
More...

USA Technologies' USALive network authorizes credit and debit cards used, processes the charges and deposits funds directly into an operator's bank account.

"We are excited that MEI, a global leader in transaction devices for everything from vending machines to remote kiosks and amusement machines, selected our technology to add credit card capability to their product line," said Stephen P. Herbert, President and COO, USA Technologies. "Being the market leader, with their nationwide sales force and keen marketing sense, we believe that the MEI cash and credit solution will quickly permeate the marketplace, and accelerate the introduction of cashless vending to the world," he said.

The unique combination of traditional payment methods with cashless will offer consumers more payment choices at vending machines, from using coins and bills, to credit or debit cards and MEI coupons.

The vending industry is beginning to see growth in cashless transactions, with major beverage companies, consumer product companies and vending machine manufacturers incorporating credit cards payment systems as an additional consumer payment option, bringing to market a product that fits today's consumer's lifestyle.

About MEI

Today, MEI payment systems are relied upon for more than 1 billion transactions

per week in 90 countries. The company developed the first electronic coin mechanism in the 1960s followed by the first electronic bill acceptor, and today has the largest worldwide installed base of unattended payment mechanisms. MEI has sold more than 3.5 million bill acceptors, 4.5 million coin mechanisms and 1 million control boards worldwide. Its products are in widespread use in the vending, soft drink, gaming, amusement, transportation, retail, and kiosk markets. For more information on MEI and its products, visit www.meiglobal.com or call 1-800-345-8215.

About USA Technologies:

USA Technologies is a leader in the networking of distributed assets, wireless non-cash transactions, associated financial/network services and energy management. USA Technologies provides networked credit card and other non-cash/mobile commerce systems in the vending, commercial laundry, hospitality and digital imaging industries. USA Technologies is an IBM Business Partner and an inaugural member of the Sprint Enabling Application Service Provider Program for e-commerce. The Company has marketing agreements with the Sprint, Motient, MEI, Kinko's and the ZiLOG Corporation. <http://www.usatech.com>

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including but not limited to the ability of the USA Technologies to increase revenues in the future, the ability to achieve a positive cash flow, the ability to obtain orders for or install its products, the ability to obtain new customers and the ability to commercialize its products (including the e-Port on a chip), which could cause actual results or revenues to differ materially from those contemplated by these statements.