

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): June 27, 2019

USA TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania

001-33365

232679963

(State or other jurisdiction of incorporation or
organization)

(Commission File Number)

(I.R.S. Employer Identification No.)

100 Deerfield Lane, Suite 300
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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	USAT	The NASDAQ Stock Market LLC
Series A Convertible Preferred Stock, no par value	USATP	The NASDAQ Stock Market LLC

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 1.01. Entry into a Material Definitive Agreement.

On June 27, 2019, USA Technologies, Inc. (the “Company”) entered into a new consent letter (the “New Consent Agreement”) relating to the Company’s existing Credit Agreement dated November 9, 2017 (“Credit Agreement”) by and among the Company, as the borrower, its subsidiaries, as guarantors, and JPMorgan Chase Bank, N.A., as the lender and administrative agent for the lender (the “Lender”). The New Consent Agreement, among other things, extends until September 30, 2019 the time period for delivery to the Lender of the Company’s audited financial statements for the fiscal year ended June 30, 2018 and the unaudited financial statements for the fiscal quarters ended September 30, 2018, December 31, 2018, March 31, 2019, and June 30, 2019, and the related compliance certificates required pursuant to the Credit Agreement.

The New Consent Agreement provides, among other things, that (i) within thirty days after the end of each fiscal month the Company shall deliver to the Lender unaudited financial statements for such fiscal month, (ii) the Company shall deliver to the Lender on a weekly basis a 13-week rolling cash flow report, and (iii) until notice to the contrary is delivered by the Lender to the Company, the Company shall not request, and the Lender shall not be required to honor, any request for additional advances under the revolving line of credit loan under the Credit Agreement.

As of the date hereof, the principal amount outstanding under the existing revolving line of credit loan under the Credit Agreement is \$10,000,000 and under the existing term loan under the Credit Agreement is approximately \$2,100,000.

The fifth consent letter previously entered into by the Company and the Lender on March 29, 2019, had, among other things, extended until June 30, 2019 the time period for delivery to the Lender of the Company’s audited financial statements for the fiscal year ended June 30, 2018 and the unaudited financial statements for the fiscal quarters ended September 30, 2018, December 31, 2018, and March 31, 2019, and the related compliance certificates.

The foregoing description of the New Consent Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the New Consent Agreement, a copy of which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

[Exhibit 10.1](#) Consent Agreement by and among the Company, its subsidiaries, and JPMorgan Chase Bank, N.A., dated June 27, 2019

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.

Dated: June 28, 2019

USA TECHNOLOGIES, INC.

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

June 27, 2019

USA Technologies, Inc.
100 Deerfield Lane
Suite 300
Malvern, PA 19355
Attention: Glen Goold

Re: CONSENT TO EXTENSION

Dear Sir or Madam:

We refer to that certain Credit Agreement, dated as of November 9, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among USA Technologies, Inc., a Pennsylvania corporation (the "Borrower"), the other Loan Parties party thereto (together with the Borrower, the "Loan Parties"), the lenders party thereto from time to time (the "Lenders"), and JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent") for the Lenders. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Credit Agreement.

The Loan Parties have requested that the Administrative Agent consent to an extension of (a) the delivery of the Borrower's audited financial statements for the fiscal year ended June 30, 2018, the unaudited financial statements for the fiscal quarters ended September 30, 2018, December 31, 2018, March 31, 2019, and June 30, 2019, and the related compliance certificates required to be delivered pursuant to Section 5.01(a), (b) and (c), as applicable, of the Credit Agreement to September 30, 2019 (the "Financial Reporting Extension"; the foregoing reporting, the "Specified Reporting Requirements") and (b) the date by which the Borrower must comply with the financial covenants set forth in Section 6.12 of the Credit Agreement with respect to the fiscal quarter ending on December 31, 2018, March 31, 2019 and June 30, 2019, to September 30, 2019 (the "Financial Covenant Extension"; and together with the Financial Reporting Extension, the "Specified Extension").

At your request and subject to the terms and conditions of this letter agreement, the Administrative Agent and the Lenders consent to the Specified Extension.

In consideration of the Specified Extension, the Loan Parties agree that (a) until written notice to the contrary is delivered by the Administrative Agent to the Borrowers and notwithstanding the satisfaction of the Specified Reporting Requirements after the date hereof, the Borrower shall not request, and the Secured Parties shall not be required to honor, any request for additional Revolving Loans, Letters of Credit, or other credit accommodations, provided that the Secured Parties may do so in their sole and absolute discretion, (b) within (30) days after the end of each fiscal month, they shall deliver an unaudited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal month and the then elapsed portion of current fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal quarterly controls and adjustments (i.e., controls and adjustments that are not performed on a monthly basis), normal year-end audit adjustments, and the absence of footnotes, and indicating that the unaudited consolidated financial statements do not reflect: (i) any adjustments which may be required by the internal investigation described in the Borrower's public disclosures to the extent that such adjustments have not yet been finalized; and (ii) any adjustments related to the adoption of ASC 606 (including gross versus net of transaction reporting) until the analysis with respect to such adjustments has been completed, (c) on or before Friday of each week, the Borrower shall deliver to the Administrative Agent a 13-week rolling cash flow report, (d) the Applicable Rate shall continue to be set at Category 1 until at least the date that the unaudited financial statements and related compliance certificate required to be delivered pursuant to Sections 5.01(b) and (c) with respect to the fiscal quarters ending September 30, 2018, December 31, 2018, March 31, 2019 and June 30, 2019, are delivered to the Administrative Agent, (e) from and after the date hereof, no Loan Party will, nor will it permit any Subsidiary to, (i) declare or make, or agree to declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, other than Restricted Payments made to other Loan Parties, (ii) sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, pursuant to Section 6.05(h) of the Credit Agreement, nor will the Borrower permit any Subsidiary to issue any additional Equity Interest in such Subsidiary (other than to the Borrower or another Subsidiary in compliance with Section 6.03 or Section 6.04 of the Credit Agreement), (iii) merge into or consolidate with it, or liquidate or dissolve, or (iv) consummate an Acquisition or enter into an agreement with respect to an Acquisition, and (f) by no later than September 30, 2019, the Loan Parties shall move all Deposit Accounts (other than Excluded Accounts (as defined in the Security Agreement)) not maintained with the Administrative Agent to the Administrative Agent or close such Deposit Accounts, provided that, notwithstanding anything in the Security Agreement to the contrary, during such period the Loan Parties shall be permitted to maintain up to \$1,500,000 in Deposit Accounts with Silicon Valley Bank. The failure to comply with the foregoing sentence will constitute an immediate Event of Default under the Credit Agreement.

Each of the Loan Parties hereby (a) agrees that, after giving effect to the terms hereof, no Default or Event of Default exists as of the date hereof, (b) reaffirms all of its obligations and covenants under the Credit Agreement and the other Loan Documents to which it is a party, (c) restates and renews each and every representation and warranty heretofore made by it in the Credit Agreement and the other Loan Documents as fully as if made on the date hereof (except with respect to representations and warranties made as of an expressed date, in which case such representations and warranties shall be true and correct as of such date); provided, however, that (i) Section 3.04(a) of the Credit Agreement shall be subject to the restatement of the fiscal year 2017 financial statements of the Company disclosed in the Company's Form 8-K dated February 6, 2019, and (ii) Section 3.06(a)(i) of the Credit Agreement shall be subject to the purported class actions filed against the Company disclosed in the Company's Form 12b-25 dated February 11, 2019, and the purported class action filed against the Company in the Chester County, Pennsylvania, Court of Common Pleas (Docket No. 2019-04821-MJ) on May 17, 2019, and (d) agrees that none of its respective obligations and covenants shall be reduced or limited by the execution and delivery of this letter agreement.

Each Loan Party and their respective Affiliates, successors, assigns, and legal representatives (collectively, the “Releasers”), acknowledge and agree that through the date hereof, each Secured Party has acted in good faith and has conducted itself in a commercially reasonable manner in its relationships with the Releasers in connection with this agreement and in connection with the Secured Obligations, the Credit Agreement, and the other Loan Documents, and the obligations and liabilities of the Releasers existing thereunder or arising in connection therewith, and the Releasers hereby waive and release any claims to the contrary. The Releasers hereby release, acquit, and forever discharge each Secured Party and its Affiliates (including, without limitation, its parent and its subsidiaries) and their respective officers, directors, employees, agents, attorneys, advisors, successors and assigns, both present and former (collectively, the “Secured Party Affiliates”) from any and all manner of losses, costs, defenses, damages, liabilities, deficiencies, actions, causes of action, suits, debts, controversies, damages, judgments, executions, claims, demands, and expenses whatsoever, asserted or unasserted, known or unknown, foreseen or unforeseen, in contract, tort, law or equity (generically, “Claims”), that any Releaser has or may have against any Secured Party and/or any Secured Party Affiliate by reason of any action, failure to act, event, statement, accusation, assertion, matter, or thing whatsoever arising from or based on facts occurring prior to the effectiveness of this Agreement that arises out of or is connected to the Loan Documents or the Secured Obligations. Each of the Releasers hereby unconditionally and irrevocably agrees that it will not sue any Secured Party or any Secured Party Affiliate on the basis of any Claim released, remised, and discharged by such Releaser pursuant to this paragraph. If any Releaser or any of their respective successors, assigns, or other legal representatives violates the foregoing covenant, each Releaser, for itself and its successors, assigns, and legal representatives, agrees to pay, in addition to such other damages as any Secured Party or any Secured Party Affiliate may sustain as a result of such violation, all reasonable and documented attorneys’ fees and costs incurred by any Secured Party or any Secured Party Affiliate as a result of such violation.

This letter agreement shall not become effective until (a) each of the Loan Parties and the Administrative Agent have executed and delivered this letter agreement to the Administrative Agent, (b) the Loan Parties shall have paid to the Administrative Agent, for the benefit of the Lenders, a non-refundable extension fee of \$20,900 in immediately available funds and (c) the Loan Parties shall have paid (or made arrangements acceptable to the Administrative Agent to pay) all outstanding legal fees of counsel to the Administrative Agent. Except for the consents set forth above, the text of the Credit Agreement and all other Loan Documents shall remain unchanged and in full force and effect. This letter agreement shall not constitute an amendment to any other provision of the Credit Agreement or any other Loan Document. The Specified Extension is a one-time consent and shall not be construed as an agreement to consent to any future event. No consent by the Administrative Agent or the Lenders under the Credit Agreement or any other Loan Document is granted or intended except as expressly set forth herein. Except as set forth herein, the consents agreed to herein shall not constitute a modification of the Credit Agreement or any of the other Loan Documents, or a course of dealing with the Administrative Agent and the Lenders at variance with the Credit Agreement or any of the other Loan Documents, such as to require further notice by the Administrative Agent or the Lenders to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future. This letter agreement shall be a “Loan Document” for all purposes under the Credit Agreement. This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York. This letter agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. Delivery by one or more parties hereto of an executed counterpart of this letter agreement via facsimile, telecopy, or other electronic method of transmission pursuant to which the signature of such party can be seen (including, without limitation, Adobe Corporation’s Portable Document Format) shall have the same force and effect as the delivery of an original executed counterpart of this letter agreement. Any party delivering an executed counterpart of this letter agreement by facsimile or other electronic method of transmission shall also deliver an original executed counterpart to the Administrative Agent, but the failure to do so shall not affect the validity, enforceability, or binding effect of this letter agreement.

[remainder of page intentionally left blank; signature pages follow]

BORROWER:

USA TECHNOLOGIES, INC.

By: /s/ Stephen P. Herbert

Name: Stephen P. Herbert

Title: Chief Executive Officer

ADMINISTRATIVE AGENT AND SOLE LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ Geraldine A. King

Name: Geraldine A. King

Title: Executive Director, Special Credits Risk

CONSENT, REAFFIRMATION, AND AGREEMENT OF GUARANTORS

Each of the undersigned (a) acknowledges receipt of the foregoing consent (the “Agreement”); (b) consents to the execution and delivery of the Agreement; and (c) reaffirms all of its obligations and covenants under the Credit Agreement (as defined in the Agreement) and all of its other obligations under the Loan Documents to which it is a party, and, agrees that none of its obligations and covenants shall be reduced or limited by the execution and delivery of the Agreement or any of the other instruments, agreements or other documents executed and delivered pursuant thereto.

This Consent, Reaffirmation, and Agreement of Guarantors (this “Consent”) may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. This Consent may be executed by each party on separate copies, which copies, when combined so as to include the signatures of all parties, shall constitute a single counterpart of the Consent.

As of June 27, 2019

STITCH NETWORKS CORPORATION

By: /s/ Stephen P. Herbert

Name: Stephen P. Herbert

Title: Chief Executive Officer

USAT CAPITAL CORP, LLC

By: /s/ Stephen P. Herbert

Name: Stephen P. Herbert

Title: Chief Executive Officer

CANTALOUPE SYSTEMS, INC.

By: /s/ Stephen P. Herbert

Name: Stephen P. Herbert

Title: Chief Executive Officer
