

APPFOLIO INC  
Form 4  
June 29, 2015

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
BLISS TIMOTHY K

(Last) (First) (Middle)

C/O IGSB, INC., 1485 E VALLEY ROAD, SUITE H

(Street)

SANTA BARBARA, CA 93108

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
APPFOLIO INC [APPF]

3. Date of Earliest Transaction (Month/Day/Year)  
06/25/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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 Beneficial Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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

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SEC 1474 (9-02)

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

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	V	(Instr. 3, 4, and 5) (A)	(D)	Date Exercisable	Expiration Date	Title
Series B Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		1,664,284		<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>
Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C		416,071		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series B-2 Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		498,927		<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>
Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C		124,732		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series B-3 Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		379,820		<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>
Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C		94,955		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series B Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		14,224,201		<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>
Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C		3,556,050 <u>(4)</u> <u>(8)</u>		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series B-1 Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		4,257,917		<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>
Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C		1,064,479 <u>(4)</u> <u>(8)</u>		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series B Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		5,557,045		<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>

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Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C	1,389,261 <u>(5)</u> <u>(8)</u>		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series B-1 Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		4,165,263	<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>
Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C	1,041,316 <u>(5)</u> <u>(8)</u>		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series A Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		32,260	<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>
Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C	8,065 <u>(6)</u> <u>(8)</u>		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series B Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		6,049	<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>
Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C	1,512 <u>(6)</u> <u>(8)</u>		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series B-2 Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		2,993,564	<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>
Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C	748,391 <u>(6)</u> <u>(8)</u>		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series B-3 Convertible Preferred Stock	<u>(1)</u>	06/25/2015	C		1,202,763	<u>(1)</u>	<u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>
Class B Common Stock	<u>(2)</u> <u>(3)</u>	06/25/2015	C	300,691 <u>(6)</u> <u>(8)</u>		<u>(2)</u> <u>(3)</u>	<u>(2)</u> <u>(3)</u>	Class A Common Stock
Series B Convertible	<u>(1)</u>	06/25/2015	C		20,162	<u>(1)</u>	<u>(1)</u>	Class B Common

Stock	(2)	(3)							Stock
Preferred Stock									(2) (3)
Class B Common Stock	(2)	(3)	06/25/2015	C	5,041 (8)		(2)(3)	(2)(3)	Class A Common Stock
Series B-2 Convertible Preferred Stock	(1)		06/25/2015	C		1,781,883	(1)	(1)	Class B Common Stock (2) (3)
Class B Common Stock	(2)	(3)	06/25/2015	C	445,471 (7) (8)		(2)(3)	(2)(3)	Class A Common Stock
Series B-3 Convertible Preferred Stock	(1)		06/25/2015	C		1,202,763	(1)	(1)	Class B Common Stock (2) (3)
Class B Common Stock	(2)	(3)	06/25/2015	C	300,691 (7) (8)		(2)(3)	(2)(3)	Class A Common Stock
Series B Convertible Preferred Stock	(1)		06/25/2015	C		167,351	(1)	(1)	Class B Common Stock (2) (3)
Class B Common Stock	(2)	(3)	06/25/2015	C	41,838		(2)(3)	(2)(3)	Class A Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BLISS TIMOTHY K C/O IGSB, INC. 1485 E VALLEY ROAD, SUITE H SANTA BARBARA, CA 93108	X	X		
		X		

Investment Group of Santa Barbara, LLC  
 C/O IGSB, INC.  
 1485 E VALLEY ROAD, SUITE H  
 SANTA BARBARA, CA 93108

## Signatures

Investment Group of Santa Barbara, LLC, By: /s/ Kimberly Shea, attorney-in-fact for Timothy K. Bliss, Member and Vice President	06/29/2015
__Signature of Reporting Person	Date
/s/ Kimberly Shea, attorney-in-fact for Timothy K. Bliss	06/29/2015
__Signature of Reporting Person	Date

## Explanation of Responses:

\* 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).

(1) Each share of Convertible Preferred Stock, irrespective of its Series, automatically converted into 0.25 of a share of Class B Common Stock prior to the consummation of the initial public offering (the "IPO") of AppFolio, Inc. (the "Company"). The Class B Common Stock has not been registered, and it is not expected that the Class B Common Stock will be registered in the future, under the Securities Exchange Act of 1934, as amended.

(2) Each share of Class B Common Stock will be convertible, at any time at the option of the holder, into one share of Class A Common Stock. In addition, shares of Class B Common Stock that are transferred after the consummation of the Company's IPO will convert automatically, on a one share-for-one share basis, into shares of Class A Common Stock, except for (i) any transfers, by a partnership or limited liability company that was a registered holder of shares of Class B Common Stock prior to the consummation of the IPO, made to anyone who was a partner or member of any such partnership or limited liability company prior to consummation of the IPO, and (ii) any transfer to a "qualified recipient" as defined in the Company's amended and restated certificate of incorporation.

(3) All of the outstanding shares of Class B Common Stock will convert automatically into shares of Class A Common Stock, on a one share-for-one share basis, on the date when the number of the Company's outstanding shares of Class B Common Stock represents less than 10% of the sum of its outstanding shares of Class A Common Stock and Class B Common Stock.

(4) These Shares are held of record by IGSB IVP II, LLC ("IGSB IVP 2"), a private investment fund. Mr. Bliss is the sole manager of IGSB IVP 2 and, in that capacity, exercises sole voting and dispositive power over these Shares. However, Mr. Bliss disclaims beneficial ownership of these Shares except to the extent of his pecuniary interest therein, including the pecuniary interest described in Note 8 below.

(5) These Shares are held of record by IGSB Internal Venture Fund II, LLC ("IGSB Venture Fund 2"), a private investment fund. Mr. Bliss is the sole manager of IGSB Venture Fund 2 and, in that capacity, exercises sole voting and dispositive power over these Shares. However, Mr. Bliss disclaims beneficial ownership of these Shares except to the extent of his pecuniary interest therein, including the pecuniary interest described in Note 8 below.

(6) These Shares are held of record by IGSB IVP III, LLC ("IGSB IVP 3"), which is a private investment fund managed by Investment Group of Santa Barbara, LLC ("IGSB"). Mr. Bliss is one of three members of IGSB and all decisions regarding the voting and disposition of these Shares requires the unanimous approval of the three members. As a result, Mr. Bliss may be deemed to share voting and dispositive power over these Shares with IGSB and its other two members. However, Mr. Bliss disclaims beneficial ownership of these Shares except to the extent of his pecuniary interest therein.

(7) These Shares are held of record by IGSB Internal Venture Fund III, LLC ("IGSB Venture Fund 3"), which is a private investment fund also managed by IGSB. Mr. Bliss is one of three members of IGSB and all decisions regarding the voting and disposition of these Shares requires the unanimous approval of the three members. As a result, Mr. Bliss may be deemed to share voting and dispositive power over these Shares with IGSB and its other two members. However, Mr. Bliss disclaims beneficial ownership of these Shares except to the extent of his pecuniary interest therein.

(8) Mr. Bliss has pecuniary interests in the Shares owned by IGSB IVP II, IGSB Venture Fund 2, IGSB IVP 3 and IGSB Venture Fund 3 including carried interests that he has in those Funds. However, the extent of his pecuniary interests in those Funds by reason of those carried interests are not readily determinable, because the amount of those carried interests are subject to a number of variables, including the amounts and timing of distributions which those Funds may make to their respective members in the future.

**Remarks:**

Form 1 of 2

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

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