

APPFOLIO INC  
Form 4  
December 22, 2015

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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)  
12/18/2015

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)  | Price   |  |  |       |
|                                 |                                      |  |                                | 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 | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3)                 | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8)                     | Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4, and<br>5) | Code | V | (A) | (D) | Date<br>Exercisable   | Expiration<br>Date    | Title                      | Amount or<br>Number of<br>Shares |
|----------------------------|------------------------------------|------------------|--------------------------------|---|------|---|-----|-----|-----------------------|-----------------------|----------------------------|----------------------------------|
| Class B<br>Common<br>Stock | <u>(1)</u> <u>(2)</u>              | 12/18/2015       | <u>J</u> <u>(3)</u>            | 338,292<br><u>(3)</u>   |      |   |     |     | <u>(1)</u> <u>(2)</u> | <u>(1)</u> <u>(2)</u> | Class A<br>Common<br>Stock | 338,292                          |
| Class B<br>Common<br>Stock | <u>(1)</u> <u>(2)</u>              | 12/18/2015       | <u>J</u> <u>(4)</u> <u>(5)</u> | 170,851<br><u>(4)</u> <u>(5)</u>                              |      |   |     |     | <u>(1)</u> <u>(2)</u> | <u>(1)</u> <u>(2)</u> | Class A<br>Common<br>Stock | 170,851                          |
| Class B<br>Common<br>Stock | <u>(1)</u> <u>(2)</u>              | 12/18/2015       | <u>J</u> <u>(6)</u>            | 72,782<br><u>(6)</u>  |      |   |     |     | <u>(1)</u> <u>(2)</u> | <u>(1)</u> <u>(2)</u> | Class A<br>Common<br>Stock | 72,782                           |
| Class B<br>Common<br>Stock | <u>(1)</u> <u>(2)</u>              | 12/18/2015       | <u>J</u> <u>(7)</u>            | 11,848<br><u>(7)</u>  |      |   |     |     | <u>(1)</u> <u>(2)</u> | <u>(1)</u> <u>(2)</u> | Class A<br>Common<br>Stock | 11,848                           |
| Class B<br>Common<br>Stock | <u>(1)</u> <u>(2)</u>              | 12/18/2015       | <u>J</u> <u>(8)</u>            | 49,016<br><u>(8)</u>  |      |   |     |     | <u>(1)</u> <u>(2)</u> | <u>(1)</u> <u>(2)</u> | Class A<br>Common<br>Stock | 49,016                           |
| Class B<br>Common<br>Stock | <u>(1)</u> <u>(2)</u>              | 12/18/2015       | <u>J</u> <u>(9)</u>            | 49,016<br><u>(9)</u>  |      |   |     |     | <u>(1)</u> <u>(2)</u> | <u>(1)</u> <u>(2)</u> | Class A<br>Common<br>Stock | 49,016                           |

## Reporting Owners

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

## Signatures

/s/ Kimberly Shea, as attorney-in-fact for Timothy K.  
Bliss 12/22/2015

\_\_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) The shares of Class B Common Stock do not have an expiration date. Each share of Class B Common Stock is 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 June 30, 2015 will convert automatically, on a one share-for-one share basis, into shares of Class A Common Stock, except for (i) any

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transfers by a partnership or limited liability company that was a registered holder of shares of Class B Common Stock prior to June 30, 2015, made to anyone who was a partner or member of any such partnership or limited liability company prior to that date, and (ii) any transfer to a "qualified recipient" as defined in the Issuer's amended and restated certificate of incorporation.

- (2) All 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 Issuer'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.

- (3) A change in the nature of Mr. Bliss' beneficial ownership of Class B Shares as a result of the dissolution of IGSB IVP II, LLC ("IVP II") and a liquidating distribution by IVP II, pro rata to its members, of all of the Class B Shares that it had owned. No consideration was paid by Mr. Bliss or any of the other members of IVP II for the Class B Shares distributed to them upon IVP II's dissolution and liquidation. Prior to the dissolution and liquidation of IVP II, Mr. Bliss had been the sole manager of IVP II and, in that capacity, had possessed sole voting and dispositive power over all of the Class B Shares that had been owned by IVP II; however, as previously reported, Mr. Bliss had disclaimed beneficial ownership of those Class B Shares, except to the extent of his pecuniary interest therein. Due to the dissolution and liquidation of IVP II, Mr. Bliss has ceased to be the beneficial owner of the Class B Shares distributed to the other members of IVP II.

- (4) A change in the nature of Mr. Bliss' beneficial ownership of the Class B shares as a result of the dissolution of IGSB Internal Venture Fund II, LLC ("Venture Fund II") and a liquidating distribution by Venture Fund II, pro-rata to all of its members, of all of the Class B Shares that it had owned. No consideration was paid by Mr. Bliss or any of the other members of Venture Fund II for the Class B Shares distributed to them upon Venture Fund II's dissolution and liquidation.

- (5) (Continued From Footnote 4) Prior to that dissolution and liquidation, Mr. Bliss had been Venture Fund II's sole manager and, in that capacity, had possessed sole voting and dispositive power over all of the Class B Shares that had been owned by Venture Fund II; however, as previously reported, Mr. Bliss had disclaimed beneficial ownership of those Class B Shares, except to the extent of his pecuniary interest therein. Due to the dissolution and liquidation of Venture Fund II, Mr. Bliss has ceased to be the beneficial owner of the Class B Shares distributed to the other members of Venture Fund II.

- (6) These Class B Shares are owned by IGSB Cimarron Bonus Fund, LLC (the "Cimarron Fund"). Mr. Bliss is the manager of the Cimarron Fund and, in that capacity, possesses sole voting and dispositive power over the Class B Shares owned by Cimarron Fund. However, Mr. Bliss does not have and he disclaims any pecuniary interest in these Class B Shares. The Cimarron Fund was a member of IVP II and received these Class B Shares from IVP II pursuant to its dissolution and pro-rata distribution to its members, as described in note (3) above, of all of the Class B Shares that it had owned. No consideration was paid by the Cimarron Fund for these Class B Shares.

- (7) These Class B Shares also are owned by the Cimarron Fund and, as manager of the Cimarron Fund, Mr. Bliss possesses sole voting and dispositive power over the Class B Shares owned by Cimarron Fund. However, Mr. Bliss does not have and he disclaims any pecuniary interest in these Class B Shares. The Cimarron Fund was a member of Venture Fund II and received these Class B Shares from Venture Fund II upon its dissolution and the pro-rata distribution to its members, as described in note (4) above, of all of the Class B Shares that it had owned. No consideration was paid by the Cimarron Fund for these Class B Shares.

- (8) These Class B Shares are owned by a grantor trust of which Mr. Bliss is the trustee. As trustee, Mr. Bliss possesses sole voting and dispositive power over these Class B Shares. However, Mr. Bliss is not a beneficiary of the trust and does not have and he disclaims any pecuniary interest in these Class B Shares. The trust was a member of Venture Fund II and received these Class B Shares from Venture Fund II upon its dissolution and the pro-rata distribution to its members, as described in note (4) above, of all of the Class B Shares that it had owned. No consideration was paid by the trust for these Class B Shares.

- (9) These Class B Shares are owned by another grantor trust of which Mr. Bliss is the trustee. As trustee, Mr. Bliss possesses sole voting and dispositive power over these Class B Shares. However, Mr. Bliss is not a beneficiary of this trust and does not have and he disclaims any pecuniary interest in these Class B Shares. The trust was a member of Venture Fund II and received these Class B Shares from Venture Fund II upon its dissolution and the pro-rata distribution to its members, as described in note (4) above, of all of the Class B Shares that it had owned. No consideration was paid by the trust for these Class B Shares.

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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