

APPFOLIO INC  
Form 3  
April 11, 2016

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Randall Jason Robert		(Month/Day/Year)	APPFOLIO INC [APPF]	
(Last)	(First)	(Middle)	04/04/2016	
4942 LA GAMA WAY			4. Relationship of Reporting Person(s) to Issuer	
(Street)			(Check all applicable)	
SANTA BARBARA, Â CA Â 93111			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below) SVP, AppFolio Property Manager	
(City)	(State)	(Zip)	5. If Amendment, Date Original Filed(Month/Day/Year)	
			6. Individual or Joint/Group Filing(Check Applicable Line)	
			<input checked="" type="checkbox"/> Form filed by One Reporting Person	
			<input type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Class B Common Stock	30,000	D	Â

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of	

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				Shares		(I) (Instr. 5)	
Class B Common Stock <u>(1)</u>	Â <u>(2)(3)</u>	Â <u>(2)(3)</u>	Class A Common Stock	25,000	\$ 1.36	D	Â
Class B Common Stock <u>(4)</u>	Â <u>(2)(3)</u>	Â <u>(2)(3)</u>	Class A Common Stock	25,000	\$ 1.8	D	Â
Employee Stock Option (Right to Buy) <u>(5)</u>	12/03/2015	12/02/2024	Class B Common Stock <u>(2)</u> <u>(3)</u>	37,500	\$ 4.92	D	Â
Employee Stock Option (Right to Buy) <u>(6)</u>	12/03/2017	12/02/2024	Class B Common Stock <u>(2)</u> <u>(3)</u>	25,000	\$ 4.92	D	Â
Employee Stock Option (Right to Buy) <u>(7)</u>	Â <u>(8)</u>	02/28/2026	Class A Common Stock	99,999 <u>(9)</u>	\$ 11.7	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Randall Jason Robert 4942 LA GAMA WAY SANTA BARBARA, CA 93111	Â	Â	Â SVP, AppFolio Property Manager	Â

## Signatures

/s/Ida Kane, as Attorney-in-Fact for Jason Robert Randall 04/11/2016

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 5(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 underlying restricted stock award of which 22,398 shares have vested as of the date of this filing, and then hereafter at a rate of 521 shares per month; includes 2,602 shares subject to vesting through August 15, 2016 and may be repurchased by the Issuer at the original purchase price. All repurchase rights will automatically terminate immediately prior to the consummation of a change in control and will vest in full.

(2) Each share of Class B Common Stock will convert automatically into one (1) share of Class A Common Stock upon any sale or transfer, except in the limited circumstances described in the Issuer's Amended and Restated Certificate of Incorporation. The shares of Class B Common Stock have no expiration date.

(3) 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.

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- The underlying restricted stock award of which 18,231 shares have vested as of the date of this filing, and then hereafter at a rate of 521 shares per month; includes 6,769 shares subject to vesting through April 18, 2017 and may be repurchased by the Issuer at the original purchase price. All repurchase rights will automatically terminate immediately prior to the consummation of a change in control and will vest in full.
- (4)
  - (5) The option with 11,719 shares vested as of the date of this filing with vesting thereafter at a rate of 781 shares per month. The options will automatically vest in full immediately prior to the consummation of a change in control.
  - (6) On December 3, 2017, 6,250 shares will vest and then thereafter at a rate of 521 shares a month. The options will automatically vest in full immediately prior to the consummation of a change in control.
  - (7) The options were granted pursuant to the Issuer's 2015 Stock Incentive Plan.

- The options are subject to vesting based on the Issuer's performance relative to a pre-established target relating to free cash flow for the year ended December 31, 2016. the Issuer's performance relative to the targeted amount will be determined by the Compensation Committee by reference to the Issuer's 2016 financial statements.
- (8)
  - (9)

- The number of options subject to vesting will be determined by reference to a pre-established vesting schedule. The reported amount of shares assumes achievement at the maximum level, which would require performance at 150% of the targeted amount. For performance at 100% of the targeted amount, approximately 67% of the options would vest. For performance at 80% of targeted amount, approximately 33% of the options would vest. For performance below 80% of the targeted amount, no options would vest and the options would be forfeited.
- (9)

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### Remarks:

EXHIBIT LIST: EX-24 Power of Attorney for Jason Randall

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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