

APPFOLIO INC  
Form 3  
June 25, 2015

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

OMB APPROVAL

OMB Number: 3235-0104  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

**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)

<p>1. Name and Address of Reporting Person *</p> <p><b>BLISS TIMOTHY K</b></p> <p>(Last) (First) (Middle)</p> <p><b>C/O IGSB, INC., 1485 E VALLEY ROAD, SUITE H</b></p> <p>(Street)</p> <p><b>SANTA BARBARA, CA 93108</b></p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p><b>06/25/2015</b></p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p><b>APPFOLIO INC [APPF]</b></p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person</p>
---	--	--	--	---	---

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

<p>1. Title of Security (Instr. 4)</p>	<p>2. Amount of Securities Beneficially Owned (Instr. 4)</p>	<p>3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)</p>	<p>4. Nature of Indirect Beneficial Ownership (Instr. 5)</p>
--	--	---	--

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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

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

(Instr. 5)

Series B Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	416,071	\$ <u>(1)</u>	D	Â
Series B-2 Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	124,732	\$ <u>(1)</u>	D	Â
Series B-3 Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	94,955	\$ <u>(1)</u>	D	Â
Series B Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	3,556,050 <u>(4) (8)</u>	\$ <u>(1)</u>	I <u>(4) (8)</u>	By IGSB IVP II, LLC
Series B-1 Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	1,064,479 <u>(4) (8)</u>	\$ <u>(1)</u>	I <u>(4) (8)</u>	By IGSB IVP II, LLC
Series B Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	1,389,261 <u>(5) (8)</u>	\$ <u>(1)</u>	I <u>(5) (8)</u>	By IGSB Internal Venture Fund II, LLC
Series B-1 Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	1,041,316 <u>(5) (8)</u>	\$ <u>(1)</u>	I <u>(5) (8)</u>	By IGSB Internal Venture Fund II, LLC
Series A Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	8,065 <u>(6)</u> <u>(8)</u>	\$ <u>(1)</u>	I <u>(6) (8)</u>	By IGSB IVP III, LLC
Series B Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	1,512 <u>(6)</u> <u>(8)</u>	\$ <u>(1)</u>	I <u>(6) (8)</u>	By IGSB IVP III, LLC
Series B -2 Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	748,391 <u>(6)</u> <u>(8)</u>	\$ <u>(1)</u>	I <u>(6) (8)</u>	By IGSB IVP III, LLC
Series B -3 Convertible Preferred Stock	Â <u>(1)</u>	Â <u>(1)</u>	Class B Common Stock <u>(2)</u> <u>(3)</u>	300,691 <u>(6)</u> <u>(8)</u>	\$ <u>(1)</u>	I <u>(6) (8)</u>	By IGSB IVP III, LLC

Series B Convertible Preferred Stock	Â (1)	Â (1)	Class B Common Stock (2) (3)	5,041 (7) (8)	\$ (1)	I (7) (8)	By IGSB Internal Venture Fund III
Series B-2 Convertible Preferred Stock	Â (1)	Â (1)	Class B Common Stock (2) (3)	445,471 (7) (8)	\$ (1)	I (7) (8)	By IGSB Internal Venture Fund III
Series B-3 Convertible Preferred Stock	Â (1)	Â (1)	Class B Common Stock (2) (3)	300,691 (7) (8)	\$ (1)	I (7) (8)	By IGSB Internal Venture Fund III
Series B Convertible Preferred Stock	Â (1)	Â (1)	Class B Common Stock (2) (3)	41,838	\$ (1)	I	By Family Trust
Series B-3 Convertible Preferred Stock	Â (1)	Â (1)	Class B Common Stock (2) (3)	2,178 (9)	\$ (1)	I (9)	By Dragoneer Global Fund LP
Series B-3 Convertible Preferred Stock	Â (1)	Â (1)	Class B Common Stock (2) (3)	1,265 (10)	\$ (1)	I (10)	By Dragoneer Opportunities Fund LP

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

## Signatures

Investment Group of Santa Barbara, LLC, By: /s/ Kimberly Shea, attorney-in-fact for Timothy K. Bliss, Member

06/25/2015

\*\*Signature of Reporting Person

Date

/s/ Kimberly Shea, attorney-in-fact for Timothy K. Bliss

06/25/2015

\*\*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) None of the Series of Convertible Preferred Stock have expiration dates. However, each share of Convertible Preferred Stock, irrespective of its Series, will automatically convert into 0.25 of a share of Class B Common Stock prior to the consummation of the Company's initial public offering (the "IPO"). 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 Series B and Series B-1 Preferred 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 Preferred 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 Series B and Series B-1 Preferred 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 Series A, Series B, Series B-2 and Series B-3 Preferred 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 Series B, Series B-2 and Series B-3 Preferred 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.
- (9) Mr. Bliss does not possess voting or dispositive power over, and he disclaims beneficial ownership of, these Shares, except to the extent of his pecuniary interest therein.
- (10) Mr. Bliss does not possess voting or dispositive power over, and he disclaims beneficial ownership of, these Shares, except to the extent of his pecuniary interest therein.

Â

### Remarks:

ExhibitÂ List:

ExhibitÂ 24.1Â PowerÂ ofÂ Attorney

ExhibitÂ 24.2Â PowerÂ ofÂ Attorney

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.