

APPFOLIO INC  
Form 3  
December 30, 2015

**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 and Ticker or Trading Symbol	
Clarity Ventures, Inc.		(Month/Day/Year)	APPFOLIO INC [APPF]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
		12/22/2015		
1482 EAST VALLEY ROAD, SUITE 300			(Check all applicable)	
(Street)			<input type="checkbox"/> Director	<input checked="" type="checkbox"/> 10% Owner
			<input type="checkbox"/> Officer	<input type="checkbox"/> Other
			(give title below)	(specify below)
SANTA BARBARA, CA 93108			6. Individual or Joint/Group Filing(Check Applicable Line)	
(City)	(State)	(Zip)	<input type="checkbox"/> Form filed by One Reporting Person	
			<input checked="" 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 A COMMON STOCK	12,890	D <u>(1)</u>	^
CLASS A COMMON STOCK	175,025	D <u>(2)</u>	^
CLASS A COMMON STOCK	5,700	D <u>(3)</u>	^
CLASS A COMMON STOCK	5,000	D <u>(4)</u>	^

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)**

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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 (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
CLASS B COMMON STOCK	Â (5)	Â (5)	CLASS A COMMON STOCK	26,577	\$ (5)	D (6)	Â
CLASS B COMMON STOCK	Â (5)	Â (5)	CLASS A COMMON STOCK	118,740	\$ (5)	D (7)	Â
CLASS B COMMON STOCK	Â (5)	Â (5)	CLASS A COMMON STOCK	45,264	\$ (5)	D (8)	Â
CLASS B COMMON STOCK	Â (5)	Â (5)	CLASS A COMMON STOCK	557,654	\$ (5)	D (9)	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Clarity Ventures, Inc. 1482 EAST VALLEY ROAD SUITE 300 SANTA BARBARA, CA 93108	Â	Â X	Â	Â
Clarity Ventures, L.P. 1482 EAST VALLEY ROAD SUITE 300 SANTA BARBARA, CA 93108	Â	Â X	Â	Â
Meadowridge Ventures, L.P. 1482 EAST VALLEY ROAD SUITE 300 SANTA BARBARA, CA 93108	Â	Â X	Â	Â
KARAN STEVEN L 1482 EAST VALLEY ROAD SUITE 300 SANTA BARBARA, CA 93108	Â	Â X	Â	Â
Steven L. Karan Revocable Trust dated the 29th day of October, 2014 1482 EAST VALLEY ROAD SUITE 300 SANTA BARBARA, CA 93108	Â	Â X	Â	Â

Hughes Family Trust dated 8/7/03  
 1482 EAST VALLEY ROAD  
 SUITE 300  
 SANTA BARBARA, CA 93108

^ ^ X ^ ^

HUGHES JASON F  
 1482 EAST VALLEY ROAD  
 SUITE 300  
 SANTA BARBARA, CA 93108

^ ^ X ^ ^

## Signatures

/s/ Jason F. Hughes,  
 attorney-in-fact

12/30/2015

          \*\*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) These shares are directly owned by Jason F. Hughes ("Mr. Hughes"), who is a member of a "group" (the "Group") with the other reporting persons herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended. These shares are held in the Jason F. Hughes Roth IRA.
  - (2) These shares are directly owned by Steven L. Karan ("Mr. Karan"), who is a member of the Group. These shares are held in the Steven L. Karan Roth IRA.
  - (3) These shares are directly owned by Meadowridge Ventures, L.P. ("Meadowridge"), which is a member of the Group. These shares are indirectly owned by Clarity Ventures, Inc. ("Clarity GP"), as the general partner of Meadowridge. These shares are also indirectly owned by Mr. Hughes, as an authorized officer of Clarity GP, and by Mr. Karan, as the President and 100% owner of Clarity GP.
  - (4) These shares are directly owned by Clarity Ventures, L.P. ("Clarity LP"), which is a member of the Group. These shares are indirectly owned by Clarity GP, as the general partner of Clarity LP. These shares are also indirectly owned by Mr. Hughes, as an authorized officer of Clarity GP, and by Mr. Karan, as the President and 100% owner of Clarity GP.
  - (5) These shares are convertible into shares of AppFolio, Inc.'s Class A Common Stock on a one-for-one basis at any time, and the conversion has no expiration date. All outstanding shares of AppFolio's Class B Common Stock will convert automatically into shares of AppFolio Class A Common Stock on the date when the number of the outstanding shares of Class B Common Stock represents less than 10% of the sum of AppFolio's outstanding Class A Common Stock and Class B Common Stock. In addition, each share of Class B Common Stock will convert automatically upon any transfer of such shares, except for certain permitted transfers.
  - (6) These shares are directly owned by Mr. Hughes and are held in the Jason F. Hughes Roth IRA.
  - (7) These shares are directly owned by Mr. Karan and are held in the Steven L. Karan Roth IRA.
  - (8) These shares are directly owned by the Hughes Family Trust dated 8/7/03 ("HFT"), which is a member of the Group. These shares are indirectly owned by Mr. Hughes, as a Co-Trustee of the HFT.
  - (9) These shares are directly owned by the Steven L. Karan Revocable Trust dated the 29th day of October, 2014 ("Karan Trust"), which is a member of the Group. These shares are indirectly owned by Mr. Karan, as Trustee of the Karan Trust.

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### Remarks:

The reporting persons herein collectively form a Section 13(d) "group" as described in a Schedule A

### Exhibit List:

Exhibit 24 ? Confirming Statement

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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