APPFOLIO INC
Form 4
May 24, 2016

FORM 4

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

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

OMB APPROVAL

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Walker Jonathan

(Last) (First) (Middle)

50 CASTILIAN DRIVE

(Street)

SANTA BARBARA, CA 93117

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
05/20/2016

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Technology Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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

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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)

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy) (1)	$ 13.43	05/20/2016	A		50,001		(2)	05/19/2026	Class A Common Stock	50,001 (3)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Walker Jonathan 50 CASTILIAN DRIVE SANTA BARBARA, CA 93117			Chief Technology Officer	

Signatures

/s/ Ida Kane, as Attorney-In-Fact for Jonathan Walker	05/24/2016
**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 options were granted pursuant to the Issuer's 2015 Stock Incentive Plan.

(2) The options vest as to 50% of the underlying shares based upon the Issuer's achievement relative to pre-established targets relating to free cash flow for each of fiscal year 2017 and fiscal year 2018. The Issuer's performance relative to the targeted amount will be determined by the Compensation Committee by reference to the Issuer's 2017 and 2018 financial statements.

(3) The reported amount of shares assumes achievement at the maximum level, which would require performance at 150% of the targeted amount. For performance at the targeted amount, approximately 67% of the options would vest. For fiscal year 2017, Issuer performance below 50% of target will result in no options vesting. For fiscal year 2018, Issuer performance below 80% of target will result in no options vesting. The specific vesting percentages for Issuer achievement relative to the performance targets will be determined by reference to sliding vesting scales for each of fiscal year 2017 and 2018.

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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