

APPFOLIO INC  
Form 4  
May 24, 2016

**FORM 4**

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

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

## OMB APPROVAL

OMB  
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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Randall Jason Robert

(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 \_\_\_\_ Other (specify  
below) below)

SVP, AppFolio Property Manager

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
|                                       |                                         |                                                             | Code                                 | V                                                                          | Amount                                                                                                             | (D)                                                                  | Price                                                             |

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

**Persons who respond to the collection of  
information contained in this form are not  
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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<br>Derivative<br>Security | 2. Conversion<br>or Exercise | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any | 4. Transaction<br>Code | 5. Number of<br>Derivative<br>Securities | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) |
|---------------------------------------|------------------------------|-----------------------------------------|-----------------------------------------|------------------------|------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|
|---------------------------------------|------------------------------|-----------------------------------------|-----------------------------------------|------------------------|------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|

# Edgar Filing: APPFOLIO INC - Form 4

| (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<br>Number<br>Shares |
|-----------------------------------------------------------------|------------------------------------|------------------|------------|---------------------------------------------------------------|------|---|-----|-----|---------------------|--------------------|----------------------------|----------------------------|
| Employee<br>Stock<br>Option<br>(Right to<br>Buy) <sup>(1)</sup> | \$ 13.43                           | 05/20/2016       | A          | 200,001                                                       |      |   |     |     | <sup>(2)</sup>      | 05/19/2026         | Class A<br>Common<br>Stock | 200,00<br><sup>(3)</sup>   |

## Reporting Owners

| Reporting Owner Name / Address                                        | Relationships |           |                                |       |
|-----------------------------------------------------------------------|---------------|-----------|--------------------------------|-------|
|                                                                       | Director      | 10% Owner | Officer                        | Other |
| Randall Jason Robert<br>50 CASTILIAN DRIVE<br>SANTA BARBARA, CA 93117 |               |           | SVP, AppFolio Property Manager |       |

## Signatures

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

05/24/2016

<sup>\*\*</sup>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.  
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.  
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. 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.