

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

OMB APPROVAL	
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

<b>1. Name and Address of Reporting Person*</b> <u>IGSB Internal Venture Fund III, LLC</u>  (Last) (First) (Middle) <u>C/O IGSB, INC.</u> <u>1485 E VALLEY ROAD, SUITE H</u>  (Street) <u>SANTA BARBARA CA 93108</u>  (City) (State) (Zip)	<b>2. Issuer Name and Ticker or Trading Symbol</b> <u>APPFOLIO INC [ APFF ]</u>	<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable)  Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) _____ Other (specify below) _____
	<b>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>06/25/2015</u>	
	<b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>	

**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				

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Series B Convertible Preferred Stock	(1)	06/25/2015		C			20,162	(1)	(1)	Class B Common Stock <sup>(2)(3)</sup>	5,041	\$0.00	0	D	
Class B Common Stock	(2)(3)	06/25/2015		C		5,041		(2)(3)	(2)(3)	Class A Common Stock	5,041	\$0.00	5,041	D	
Series B-2 Convertible Preferred Stock	(1)	06/25/2015		C		1,781,883		(1)	(1)	Class B Common Stock <sup>(2)(3)</sup>	445,471	\$0.00	0	D	
Class B Common Stock	(2)(3)	06/25/2015		C		445,471		(2)(3)	(2)(3)	Class A Common Stock	445,471	\$0.00	450,512	D	
Series B-3 Convertible Preferred Stock	(1)	06/25/2015		C		1,202,763		(1)	(1)	Class B Common Stock <sup>(2)(3)</sup>	300,691	\$0.00	0	D	
Class B Common Stock	(2)(3)	06/25/2015		C		300,691		(2)(3)	(2)(3)	Class A Common Stock	300,691	\$0.00	751,203	D	

**Explanation of Responses:**

- Each share of Convertible Preferred Stock, irrespective of its Series, converted into 0.25 of a share of Class B Common Stock prior to the consummation of the initial public offering (the "IPO") of AppFolio, Inc. (the "Company"). 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.
- Each share of Class B Common Stock is 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.
- 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.

**Remarks:**

IGSB Internal Venture Fund III, LLC, a California limited liability company, By: Investment Group of Santa Barbara, LLC, By /s/ Kimberly Shea, attorney-in-fact for Timothy K. Bliss, Member and Vice President 06/29/2015

\*\* Signature of Reporting Person Date

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

\* 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).

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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