

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

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

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

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

**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
Class B Common Stock	\$0.0	10/06/2015		P		242,424		(1)(2)	(1)(2)	Class A Common Stock	242,424	\$16.5	993,627	I(3)	By IGSB Internal Venture Fund III

1. Name and Address of Reporting Person\*  
RAUTH WILLIAM R III  
 (Last) (First) (Middle)  
 C/O IGSB, INC.  
 1485 E VALLEY ROAD, SUITE H  
 (Street)  
 SANTA BARBARA CA 93108  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
Investment Group of Santa Barbara, LLC  
 (Last) (First) (Middle)  
 C/O IGSB, INC.  
 1485 E VALLEY ROAD, SUITE H  
 (Street)  
 SANTA BARBARA CA 93108  
 (City) (State) (Zip)

**Explanation of Responses:**

- The shares of Class B Common Stock do not have an expiration date. 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 by the Reporting Person will convert automatically, on a one share-for-one share basis, into shares of Class A Common Stock, except for (i) any transfers to any person that is, and prior to June 30, 2015 was, a member of the Reporting Person, 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.

3. These shares of Class B Common Stock are owned by IGSB Internal Venture Fund III LLC, a private investment fund managed by Investment Group of Santa Barbara LLC (IGSB). Mr. Rauth is one of three members of IGSB and all decisions regarding the voting and disposition of these shares require the unanimous approval of all three members. As a result, Mr. Rauth may be deemed to share voting and dispositive power over these shares with IGSB and its other two members. However, Mr. Rauth disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest he may have therein.

**Remarks:**

William R. Rauth, III /s/  
Kimberly Shea, attorney-in-fact 10/08/2015  
for William R. Rauth, III  
Investment Group of Santa  
Barbara, LLC, A California  
limited liability company By:  
Timothy K. Bliss, Member &  
Vice President By: /s/ Kimberly 10/08/2015  
Shea, attorney-in-fact for  
Timothy K. Bliss, Member and  
Vice President

\*\* 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.

**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 Number.**