

**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>Clarity Ventures, Inc.</u>  (Last) (First) (Middle) 1482 EAST VALLEY ROAD SUITE 300  (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)  Director <input checked="" type="checkbox"/> 10% Owner  Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 01/04/2016	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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			
CLASS A COMMON STOCK	01/04/2016		P		18,700	A	\$13.88 <sup>(1)</sup>	23,700	D <sup>(2)</sup>	
CLASS A COMMON STOCK	01/04/2016		P		779	A	\$13.88 <sup>(1)</sup>	6,479	D <sup>(3)</sup>	
CLASS A COMMON STOCK	01/05/2016		P		4,600	A	\$13.92 <sup>(4)</sup>	28,300	D <sup>(2)</sup>	
CLASS A COMMON STOCK	01/06/2016		P		35,100	A	\$13.68 <sup>(5)</sup>	63,400	D <sup>(2)</sup>	
CLASS A COMMON STOCK	01/06/2016		P		1,000	A	\$13.68 <sup>(5)</sup>	7,479	D <sup>(3)</sup>	
CLASS A COMMON STOCK								175,025	D <sup>(6)</sup>	
CLASS A COMMON STOCK								12,890	D <sup>(7)</sup>	

**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					

1. Name and Address of Reporting Person\*

Clarity Ventures, Inc.

(Last) (First) (Middle)

1482 EAST VALLEY ROAD  
SUITE 300

(Street)

SANTA BARBARA CA 93108

(City) (State) (Zip)

1. Name and Address of Reporting Person\*

Clarity Ventures, L.P.

(Last) (First) (Middle)

1482 EAST VALLEY ROAD  
SUITE 300

(Street)  
SANTA BARBARA CA 93108  
\_\_\_\_\_  
(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
Meadowridge Ventures, L.P.  
\_\_\_\_\_  
(Last) (First) (Middle)  
1482 EAST VALLEY ROAD  
SUITE 300  
\_\_\_\_\_  
(Street)  
SANTA BARBARA CA 93108  
\_\_\_\_\_  
(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
KARAN STEVEN L  
\_\_\_\_\_  
(Last) (First) (Middle)  
1482 EAST VALLEY ROAD  
SUITE 300  
\_\_\_\_\_  
(Street)  
SANTA BARBARA CA 93108  
\_\_\_\_\_  
(City) (State) (Zip)

1. Name and Address of Reporting Person\*  
HUGHES JASON F  
\_\_\_\_\_  
(Last) (First) (Middle)  
1482 EAST VALLEY ROAD  
SUITE 300  
\_\_\_\_\_  
(Street)  
SANTA BARBARA CA 93108  
\_\_\_\_\_  
(City) (State) (Zip)

**Explanation of Responses:**

1. The price reported in Column 4 is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$13.60 to \$14.00, inclusive. The reporting persons undertake to provide to AppFolio, Inc., any security holder of AppFolio, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares purchased at each separate price within the range set forth in footnotes (1), (4) and (5) to this Form 4.
2. These shares are directly owned by Clarity Ventures, L.P. ("Clarity LP"). These shares are indirectly owned by Clarity Ventures, Inc. ("Clarity GP"), as the general partner of Clarity LP. These shares are also indirectly owned by Steven L. Karan ("Mr. Karan"), as the President and 100% owner of Clarity GP, and by Jason F. Hughes ("Mr. Hughes"), as an authorized officer of Clarity GP.
3. These shares are directly owned by Meadowridge Ventures, L.P. ("Meadowridge"). These shares are indirectly owned by Clarity GP, as the general partner of Meadowridge. These shares are also indirectly owned by Mr. Karan, as the President and 100% owner of Clarity GP, and by Mr. Hughes, as an authorized officer of Clarity GP.
4. The price reported in Column 4 is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$13.84 to \$14.00, inclusive.
5. The price reported in Column 4 is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$13.47 to \$13.95, inclusive.
6. These shares are directly owned by Mr. Karan. These shares are held in the Steven L. Karan Roth IRA.
7. These shares are directly owned by Mr. Hughes. These shares are held in the Jason F. Hughes Roth IRA.

**Remarks:**

The reporting persons herein collectively form a Section 13(d) "group," together with the Steven L. Karan Revocable Trust dated the 29th day of October, 2014 and the Hughes Family Trust dated 8/7/03, as described in a Schedule 13G and a Form 3 filed with the Securities and Exchange Commission on December 30, 2015. Exhibit List Exhibit 24 ? Confirming Statement (incorporated by reference to Exhibit 24 to the Form 3 filed by the reporting persons with the Securities and Exchange Commission on December 30, 2015).

/s/ Jason F. Hughes, attorney-  
in-fact 01/06/2016

\*\* 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.