

RAUTH WILLIAM R III

Form 4

December 13, 2017

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
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

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)

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

3. Date of Earliest Transaction
(Month/Day/Year)
12/11/2017

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ Director ☒ 10% Owner
☐ Officer (give title below) ☐ Other (specify
below)

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
							\$ 0
Class A Common Stock	12/11/2017		C ⁽¹⁾		40,000 <u>(1)</u>	A	<u>(1)</u> <u>(2)</u> <u>(3)</u>
Class A Common Stock					13,072	I <u>(4)</u>	By IGSB IVP III, LLC

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
required to respond unless the form
displays a currently valid OMB control**

SEC 1474
(9-02)

number.

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 Underlying Securities (Instr. 3 and 4)		8. P Der Sec (Ins
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Class B Common Stock	\$ 0	08/09/2017		G	V 2,000	(2)(3)	(2)(3)	Class A Common Stock	2,000	
Class B Common Stock	\$ 0	12/11/2017		C ⁽¹⁾	40,000	(2)(3)	(2)(3)	Class A Common Stock	40,000	\$
Class B Common Stock	\$ 0					(2)(3)	(2)(3)	Class A Common Stock	(2) (3)	
Class B Common Stock	\$ 0					(2)(3)	(2)(3)	Class A Common Stock	(2) (3)	
Class B Common Stock	\$ 0					(2)(3)	(2)(3)	Class A Common Stock	(2) (3)	
Class B Common Stock	\$ 0					(2)(3)	(2)(3)	Class A Common Stock	(2) (3)	
Class B Common Stock	\$ 0					(2)(3)	(2)(3)	Class A Common Stock	(2) (3)	
Class B Common Stock	\$ 0					(2)(3)	(2)(3)	Class A Common Stock	(2) (3)	
Class B Common Stock	\$ 0					(2)(3)	(2)(3)	Class A Common Stock	(2) (3)	
Class B Common Stock ⁽⁵⁾	\$ 0					(2)(3)	(2)(3)	Class A Common Stock	(2) (3)	
Class B Common Stock	\$ 0					(2)(3)	(2)(3)	Class A Common Stock	(2) (3)	

Class B Common Stock	\$ 0	(2)(3)	(2)(3)	Class A Common Stock	(2) (3)
Class B Common Stock ⁽⁵⁾	\$ 0	(2)(3)	(2)(3)	Class A Common Stock	(2) (3)
Class B Common Stock ⁽⁵⁾	\$ 0	(2)(3)	(2)(3)	Class A Common Stock	(2) (3)
Class B Common Stock	\$ 0	(2)(3)	(2)(3)	Class A Common Stock	(2) (3)
Class B Common Stock ⁽⁵⁾	\$ 0	(2)(3)	(2)(3)	Class A Common Stock	(2) (3)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RAUTH WILLIAM R III C/O IGSB, INC. 1485 E. VALLEY ROAD, SUITE H SANTA BARBARA, CA 93108	X	X		

Signatures

William R. Rauth, III, By: /s/ Kimberly Shea, Attorney-in-Fact for William R. Rauth, III

12/13/2017

 **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 Reporting Person acquired these 40,000 shares of AppFolio Class A Common Stock ("Class A Shares") on his conversion of 40,000 shares of AppFolio Class B Shares of common stock ("Class B Shares") that were owned by the Reporting Person.

Each Class B Share is convertible, at any time at the option of the holder, into one Class A Share. In addition, Class B Shares that are sold or otherwise transferred will convert automatically, on a one share-for-one share basis, into Class A Shares, except for (i) any transfer by a partnership or limited liability company that was a registered holder of Class B Shares prior to June 30, 2015 that is made to anyone who was a partner or member of any such partnership or limited liability company prior to June 30, 2015, and (ii) any transfer to a "qualified recipient" (as defined in AppFolio's Amended and Restated Certificate of Incorporation). AppFolio's Class B Shares do not have an expiration date.

- (3) (Continued from Footnote 2) However, all of the outstanding Class B Shares will convert automatically into Class A Shares, on a one share-for-one share basis, on the date when the number of the Company's outstanding Class B Shares represents less than 10% of the sum of AppFolio's outstanding Class A and Class B Shares.

- (4) These Class A Shares are owned by IGSB IVP III LLC, a private investment fund, which is managed by Investment Group of Santa Barbara LLC ("IGSB"). The Reporting Person is one of the three members of IGSB and all decisions regarding the voting and disposition of these Shares require the unanimous approval of all three of IGSB's members. As a result, the Reporting Person may be deemed to share

Edgar Filing: RAUTH WILLIAM R III - Form 4

voting and dispositive power, with IGSB and its other two members, over these Class A Shares. However, the Reporting Person disclaims beneficial ownership of these Class A Shares, except to the extent of any pecuniary interest he may have therein.

- These Class B Shares also are owned by IGSB IVP III LLC, which is managed by IGSB. The Reporting Person may be deemed to share
- (5) voting and dispositive power, with IGSB and its other two members, over these Class B Shares. However, the Reporting Person disclaims beneficial ownership of these Class B Shares, except to the extent of any pecuniary interest he may have therein.

- These Class B Shares are owned by IGSB Venture Fund III LLC, a private investment fund that is managed by IGSB. The Reporting Person is one of the three members of IGSB and all decisions regarding the voting, conversion and transfer or other disposition of these
- (6) Class B Shares require the unanimous approval of all three members. As a result, the Reporting Person may be deemed to share voting and dispositive power over these Class B Shares with IGSB and its other two members. However, the Reporting Person disclaims beneficial ownership of these Class B Shares, except to the extent of any pecuniary interest he may have therein.

- These Class B Shares are owned by an irrevocable trust established for one of the Reporting Person's grandchildren. The Reporting
- (7) Person is the trustee of the trust and, therefore, may be deemed to possess sole voting and dispositive power over the Class B Shares owned by it. However, the Reporting Person disclaims any pecuniary interest in these Class B Shares.

- These Class B Shares are owned by an irrevocable trust established for another of the Reporting Person's grandchildren. The Reporting
- (8) Person is the trustee of the trust and, therefore, may be deemed to possess sole voting and dispositive power over the Class B Shares owned by it. However, he disclaims any pecuniary interest in these Class B Shares.

- These Class B Shares are owned by Ospre-Point Capital, LLC. In his capacity as sole manager of Ospre-Point Capital, the Reporting
- (9) Person possesses sole voting and dispositive power with respect to, but disclaims any pecuniary interest in, these Shares.

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.