

APPFOLIO INC  
Form SC 13G/A  
February 14, 2017

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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SCHEDULE 13G  
Under the Securities Exchange Act of 1934

(Amendment No. 2)\*

AppFolio, Inc.  
(Name of Issuer)

Class A Common Stock  
(Title of Class of Securities)  
03783C100  
(CUSIP Number)  
December 31, 2016  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.  
The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.  
(Continued on following pages)

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CUSIP No. 03783C100

1	NAME OF REPORTING PERSONS
	Clarity Ventures, L.P.
2	CHECK THE APPROPRIATE BOX (a) IF A (b) MEMBER OF A GROUP
3	SEC USE ONLY
4	CITIZENSHIP OR PLACE OF ORGANIZATION
	Delaware
5	SOLE VOTING POWER
	0
6	SHARED VOTING POWER
7	SOLE DISPOSITIVE POWER
8	SHARED DISPOSITIVE POWER
	0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH

REPORTING PERSON

0

10 CHECK BOX IF THE  
AGGREGATE  
AMOUNT IN ROW (9)  
EXCLUDES CERTAIN  
SHARES

11 PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (9)

0%

12 TYPE OF REPORTING  
PERSON

PN

CUSIP No. 03783C100

1	NAME OF REPORTING PERSONS
	Meadowridge Ventures, L.P.
2	CHECK THE APPROPRIATE BOX (a) IF A (b) MEMBER OF A GROUP
3	SEC USE ONLY
4	CITIZENSHIP OR PLACE OF ORGANIZATION
	Delaware
5	SOLE VOTING POWER
	0
6	SHARED VOTING POWER
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	0
7	SOLE DISPOSITIVE POWER
	0
8	SHARED DISPOSITIVE POWER
	0
9	AGGREGATE AMOUNT BENEFICIALLY

OWNED BY EACH  
REPORTING PERSON

0

10 CHECK BOX IF THE  
AGGREGATE  
AMOUNT IN ROW (9)  
EXCLUDES CERTAIN  
SHARES

11 PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (9)

0%

12 TYPE OF REPORTING  
PERSON

PN

CUSIP No. 03783C100

1 NAME OF  
REPORTING  
PERSONS  
  
Steven L. Karan  
Revocable Trust dated  
the 29th day of October,  
2014

2 CHECK  
THE  
APPROPRIATE  
BOX (a)  
IF A (b)  
MEMBER  
OF A  
GROUP

3 SEC USE ONLY

4 CITIZENSHIP OR  
PLACE OF  
ORGANIZATION

California

5 SOLE VOTING  
POWER

0

6 SHARED  
VOTING  
POWER

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY

557,654

EACH  
REPORTING  
PERSON WITH 7 SOLE  
DISPOSITIVE  
POWER

0

8 SHARED  
DISPOSITIVE  
POWER

557,654

9

AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY EACH  
REPORTING PERSON

557,654

10

CHECK BOX IF THE  
AGGREGATE  
AMOUNT IN ROW (9)  
EXCLUDES CERTAIN  
SHARES

11

PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (9)

4.58%

12

TYPE OF REPORTING  
PERSON

OO

CUSIP No. 03783C100

1	NAME OF REPORTING PERSONS
	Hughes Family Trust dated 8/7/03
2	CHECK THE APPROPRIATE BOX (a) IF A (b) MEMBER OF A GROUP
3	SEC USE ONLY
4	CITIZENSHIP OR PLACE OF ORGANIZATION
	California
5	SOLE VOTING POWER
	0
6	SHARED VOTING POWER
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	45,264
7	SOLE DISPOSITIVE POWER
	0
8	SHARED DISPOSITIVE POWER
	45,264
9	AGGREGATE AMOUNT BENEFICIALLY



OWNED BY EACH  
REPORTING PERSON

45,264

10 CHECK BOX IF THE  
AGGREGATE  
AMOUNT IN ROW (9)  
EXCLUDES CERTAIN  
SHARES

11 PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (9)

0.39%

12 TYPE OF REPORTING  
PERSON

OO

CUSIP No. 03783C100

1	NAME OF REPORTING PERSONS
	Steven L. Karan
2	CHECK THE APPROPRIATE BOX (a) IF A (b) MEMBER OF A GROUP
3	SEC USE ONLY
4	CITIZENSHIP OR PLACE OF ORGANIZATION
	United States of America
5	SOLE VOTING POWER
	0
6	SHARED VOTING POWER
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	557,654
7	SOLE DISPOSITIVE POWER
	0
8	SHARED DISPOSITIVE POWER
	557,654
9	AGGREGATE AMOUNT BENEFICIALLY

OWNED BY EACH  
REPORTING PERSON

577,654

10 CHECK BOX IF THE  
AGGREGATE  
AMOUNT IN ROW (9)  
EXCLUDES CERTAIN  
SHARES

11 PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (9)

4.58%

12 TYPE OF REPORTING  
PERSON

IN

CUSIP No. 03783C100

1	NAME OF REPORTING PERSONS
	Jason F. Hughes
2	CHECK THE APPROPRIATE BOX (a) IF A (b) MEMBER OF A GROUP
3	SEC USE ONLY
4	CITIZENSHIP OR PLACE OF ORGANIZATION
	United States of America
5	SOLE VOTING POWER
	0
6	SHARED VOTING POWER
7	SOLE DISPOSITIVE POWER
8	SHARED DISPOSITIVE POWER
9	AGGREGATE AMOUNT BENEFICIALLY

NUMBER OF  
 SHARES  
 BENEFICIALLY  
 OWNED BY  
 EACH  
 REPORTING  
 PERSON WITH

45,264

0

45,264

OWNED BY EACH  
REPORTING PERSON

45,264

10 CHECK BOX IF THE  
AGGREGATE  
AMOUNT IN ROW (9)  
EXCLUDES CERTAIN  
SHARES

11 PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (9)

0.39%

12 TYPE OF REPORTING  
PERSON

IN

CUSIP No. 03783C100

1	NAME OF REPORTING PERSONS
	Clarity Ventures, Inc.
2	CHECK THE APPROPRIATE BOX IF A (a) MEMBER (b) OF A GROUP
3	SEC USE ONLY
4	CITIZENSHIP OR PLACE OF ORGANIZATION
	Delaware
5	SOLE VOTING POWER
	0
6	SHARED VOTING POWER
7	SOLE DISPOSITIVE POWER
8	SHARED DISPOSITIVE POWER
	0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH

REPORTING PERSON

0

10 CHECK BOX IF THE  
AGGREGATE  
AMOUNT IN ROW (9)  
EXCLUDES CERTAIN  
SHARES

11 PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (9)

0%

12 TYPE OF REPORTING  
PERSON

CO

Explanatory Note: This Amendment No. 2 ("Amendment No. 2") amends and supplements the statement on Schedule 13G initially filed on December 30, 2015, as amended by that Schedule 13G/A filed on August 24, 2016. Amendment No. 2 is being filed pursuant to Rule 13d-2(d) of the Exchange Act to reflect changes in the beneficial ownership of the Reporting Person (as defined below). Specifically, the Reporting Person's beneficial ownership has been reduced to be less than 5% (see Item 5).

Item  
1(a). **Name of Issuer:**

AppFolio, Inc.

Item  
1(b). **Address of Issuer's Principal Executive Offices:**

50 Castilian Drive  
Goleta, CA 93117

Item  
2(a). **Name of Person Filing:**

This Amendment No. 2 is being jointly filed by Clarity Ventures, L.P. ("Clarity LP"), Meadowridge Ventures, L.P. ("Meadowridge"), and Clarity Ventures, Inc. ("Clarity GP" and together with Clarity LP and Meadowridge, the "Entities"); the Steven L. Karan Revocable Trust dated the 29th day of October, 2014 ("Karan Trust") and the Hughes Family Trust dated 8/7/03 ("HFT" and together with the Karan Trust, the "Trusts"); and Steven L. Karan and Jason F. Hughes (collectively, the "Individuals" and together with the Entities and the Trusts, the "Reporting Persons") with respect to shares of Class A Common Stock, par value \$0.0001 of AppFolio, Inc.

Item  
2(b). **Address of Principal Business Office or, if None, Residence:**

The address of the principal business office of the Reporting Persons is:

1482 East Valley Road, Suite 300  
Santa Barbara, CA 93108.

Item  
2(c). **Citizenship:**

Clarity LP and Meadowridge are Delaware limited partnerships. Clarity GP is a Delaware corporation. The Trusts are organized in California. The Individuals are citizens of the United States of America.

Item  
2(d). **Title of Class of Securities:**

Class A Common stock, par value \$0.0001.

Item  
2(e). **CUSIP Number:**

03783C100



Item **If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b) or (c), check whether the person filing is**  
3. **a:**

Not applicable.

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**Item 4. Ownership.**

The Steven L. Karan Revocable Trust dated the 29th day of October, 2014 beneficially owns 26,915 shares of the Issuer's Class A Common Stock, par value \$0.0001 ("Class A Shares"), and 530,739 shares of the Issuer's Class B Common Stock, par value 0.0001 per share ("Class B Shares"). The Hughes Family Trust dated 8/7/03 beneficially owns 1,910 Class A Shares and 43,354 Class B Shares. Class B Shares are immediately convertible into Class A Shares, which necessitates that the Class B Shares owned by the Reporting Persons be included in the calculation of the Reporting Persons' beneficial ownership of Class A Shares. Steven L. Karan and Jason Hughes may each be deemed to share beneficial ownership of the Class A Shares and the Class B Shares that are owned by their respective trusts. The percentage ownership for each of the Reporting Persons is based on 11,607,587 Class A Shares issued and outstanding on October 21, 2016, as disclosed in the Issuer's quarterly report on Form 10-Q for the quarterly period ended September 30, 2016, filed by the Issuer with the U.S. Securities and Exchange Commission on November 7, 2016, and (ii) the Reporting Person's books and records related to transactions in the Issuer's Class A Common Stock since October 21, 2016.

By virtue of the understandings between them, the Reporting Persons may be deemed to have formed a "group" as defined in Rule 13d-5(b)(1). Collectively, the "group" may be deemed to have voting and dispositive power over a combined 4.94% of the Class A Shares, which percentage accounts for the Class B Shares held by the Reporting Persons.

**Item 5. Ownership of Five Percent or Less of a Class.**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following .

Item  
6. **Ownership of More than Five Percent on Behalf of Another Person.**

Not applicable.

Item  
7. **Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.**

Not applicable.

Item  
8. **Identification and Classification of Members of the Group.**

For a list of the members of the group filing this Schedule 13G, refer to Exhibit A.

Item  
9. **Notice of Dissolution of Group.**

Not applicable.

Item  
10. **Certifications.**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect, other than activities solely in connection with a nomination under § 240.14a-11.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 14, 2017

Clarity Ventures, L.P.

By: Clarity Ventures, Inc., General Partner

By: /s/ Steven L. Karan

Name: Steven L. Karan

Title: President

Meadowridge Ventures, L.P.

By: Clarity Ventures, Inc., General Partner

By: /s/ Steven L. Karan

Name: Steven L. Karan

Title: President

Steven L. Karan Revocable Trust dated the 29th day of October, 2014

By: /s/ Steven L. Karan

Name: Steven L. Karan

Title: Trustee

Hughes Family Trust dated 8/7/03

By: /s/ Jason F. Hughes

Name: Jason F. Hughes

Title: Co-Trustee

[Signature page to Schedule 13G]

Clarity Ventures, Inc.

By: /s/ Steven L. Karan  
Name: Steven L. Karan  
Title: President

Individuals

/s/ Steven L. Karan  
Steven L. Karan

/s/ Jason F. Hughes  
Jason F. Hughes

[Signature page to Schedule 13G]

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EXHIBIT INDEX

Exhibit No.	Description
A	Group Members (incorporated by reference to Exhibit A to the Schedule 13G for AppFolio, Inc. filed by the Group Members on December 30, 2015).
B	Joint Filing Agreement (incorporated by reference to Exhibit B to the Schedule 13G for AppFolio, Inc. filed by the Group Members on December 30, 2015).