**1. Name and Address of Reporting Person**

SCHER JASON SCOTT  
C/O LIFEWAY FOODS, INC.  
6431 W. OAKTON STREET  
MORTON GROVE IL 60053

**2. Date of Event Requiring Statement (Month/Day/Year)**  
07/13/2012

**3. Issuer Name and Ticker or Trading Symbol**  
LIFEWAY FOODS INC [LWAY]

**4. Relationship of Reporting Person(s) to Issuer**
- Director  
- 10% Owner
- Officer (give title below)

**5. If Amendment, Date of Original Filed (Month/Day/Year)**

**6. Individual or Joint/Group Filing**
- Form filed by One Reporting Person  
- Form filed by More than One Reporting Person

### Table I - Non-Derivative Securities Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 4)</th>
<th>2. Amount of Securities Beneficially Owned (Instr. 4)</th>
<th>3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)</th>
<th>4. Nature of Indirect Beneficial Ownership (Instr. 5)</th>
</tr>
</thead>
</table>

### Table II - Derivative Securities Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 4)</th>
<th>2. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)</th>
<th>4. Conversion or Exercise Price of Derivative Security</th>
<th>5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)</th>
<th>6. Nature of Indirect Beneficial Ownership (Instr. 5)</th>
</tr>
</thead>
</table>

**Explanation of Responses:**
No securities are beneficially owned.

/s/ Jason Scher  
07/19/2012

**Signature of Reporting Person**

**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 5 (b)(v).  
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.