November 30, 2011

 Amount $317,046
 10/13/2011

(Street) MORTON

5. Relationship of Reporting Person(s) to Issuer
   Director 10% Owner
   Officer (give title below) Other (specify below)
   CFO, Treasurer

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

3. Date of Earliest Transaction (Month/Day/Year)
   10/13/2011

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

1. Name and Address of Reporting Person
   SMOLYANSKY EDWARD
   (Last) (First) (Middle)
   C/O LIFEWAY FOODS, INC.
   6431 W. OAKTON ST.
   Morton Grove IL 60053

4. Securities Acquired (A) or Disposed Of (D) (Instr. 3 and 4)
   Amount
   Price

   1,000 D $10.76 317,046 D
   1,000 D $10.79 316,046 D

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)

8. Price of Derivative Security Beneficially Owned Following Reported Transaction(s) (Instr. 4)

9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Amount</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock, no par value</td>
<td>10/13/2011</td>
<td>1,000</td>
<td>$10.76</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>10/18/2011</td>
<td>1,000</td>
<td>$10.79</td>
</tr>
</tbody>
</table>

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>Title of Derivative Security (Instr. 3)</th>
<th>Conversion or Exercise Price of Derivative Security</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Deemed Execution Date, if any (Month/Day/Year)</th>
<th>Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3 and 5)</th>
<th>Date Exercisable</th>
<th>Amount or Number of Shares</th>
</tr>
</thead>
</table>

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).


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.

/s/ Edward Smolyansky 10/19/2011
** Signature of Reporting Person Date