1. Name and Address of Reporting Person

SMOLYANSKY EDWARD

    (Last)    (First)    (Middle)
    C/O LIFEWAY FOODS, INC.
    6431 W. OAKTON ST.

    (Street)
    MORTON
    GROVE    IL    60053

    (City)    (State)    (Zip)

2. Issuer and Ticker or Trading Symbol

LIFEWAY FOODS INC [ LWAY ]

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

    07/20/2011

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

5. Relationship of Reporting Person(s) to Issuer

   Director
   X Officer (give title below)
   Other (specify below)
   CFO, Treasurer

6. Individual or Joint/Group Filing (Check Applicable Line)

   X Form filed by One Reporting Person
   Form filed by More than One Reporting Person

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

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (Month/Day/Year)</th>
<th>3A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed Of (D) (Instr. 3 and 4)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock, no par value</td>
<td>07/20/2011</td>
<td></td>
<td>S</td>
<td>327 D</td>
<td>$11.05</td>
<td>325,719</td>
<td>D</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>07/20/2011</td>
<td></td>
<td>S</td>
<td>673 D</td>
<td>$11.03</td>
<td>325,046</td>
<td>D</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>07/20/2011</td>
<td></td>
<td>S</td>
<td>500 D</td>
<td>$11.1</td>
<td>324,546</td>
<td>D</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>07/20/2011</td>
<td></td>
<td>S</td>
<td>700 D</td>
<td>$11.16</td>
<td>323,846</td>
<td>D</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>07/20/2011</td>
<td></td>
<td>S</td>
<td>167 D</td>
<td>$11.18</td>
<td>323,679</td>
<td>D</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>07/20/2011</td>
<td></td>
<td>S</td>
<td>133 D</td>
<td>$11.15</td>
<td>323,546</td>
<td>D</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>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>3A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed</th>
<th>6. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. Number of derivative Securities Beneficially Owned Following Reported</th>
</tr>
</thead>
</table>

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http://www.sec.gov/Archives/edgar/data/814586/000107261311000608/xslF345X03/edsm... 11/9/2011
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.