## 1. Name and Address of Reporting Person

**SMOLYANSKY LUDMILA**

(Last) (First) (Middle)

C/O LIFEWAY FOODS, INC.
6431 W. OAKTON ST

(Street)

MORTON GROVE IL 60053

(City) (State) (Zip)

## 2. Issuer Name and Ticker or Trading Symbol

**LIFEWAY FOODS INC [ LWAY ]**

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

06/15/2012

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

6.

## 5. Relationship of Reporting Person(s) to Issuer

X Director

X 10% Owner

Officer (give title below)

Other (specify below)

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

X 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

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (Month/Day/Year)</th>
<th>2A. 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, 4 and 5)</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>06/15/2012</td>
<td></td>
<td>s</td>
<td>1,985 D</td>
<td>$9.8 13,015 I</td>
<td>See Footnote (1)</td>
<td>See Footnote (1)</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>06/15/2012</td>
<td></td>
<td>s</td>
<td>15 D</td>
<td>$9.85 13,000 I</td>
<td>See Footnote (2)</td>
<td>See Footnote (2)</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>06/15/2012</td>
<td></td>
<td>s</td>
<td>2,000 D</td>
<td>$9.81 11,000 I</td>
<td>See Footnote (4)</td>
<td>See Footnote (4)</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>06/15/2012</td>
<td></td>
<td>s</td>
<td>1,785 D</td>
<td>$9.8 9,215 I</td>
<td>See Footnote (6)</td>
<td>See Footnote (6)</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>06/15/2012</td>
<td></td>
<td>s</td>
<td>215 D</td>
<td>$9.87 9,000 I</td>
<td>See Footnote (7)</td>
<td>See Footnote (7)</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>06/15/2012</td>
<td></td>
<td>s</td>
<td>2,000 D</td>
<td>$9.88 7,000 I</td>
<td>See Footnote (7)</td>
<td>See Footnote (7)</td>
</tr>
</tbody>
</table>

See Footnote (1)

See Footnote (2)

See Footnote (4)

See Footnote (6)

See Footnote (7)
<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 of (D) (Instr. 3, 4 and 5)</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 Transaction(s) (Instr. 4)</th>
<th>10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
<td>V</td>
<td>(A)</td>
<td>(D)</td>
<td>Date Exercisable</td>
<td>Expiration Date</td>
<td>Amount or Number of Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Explanation of Responses:**

1. The shares are held by the Ludmila Smolyansky Trust 2/1/05, of which Ludmila Smolyansky is the trustee.
2. The shares are held by The Smolyansky Foundation, of which Ludmila Smolyansky is a trustee.

/s/ Ludmila Smolyansky 06/19/2012

**Signature of Reporting Person Date**

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.