FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number: 3235-0287
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1. Name and Address of Reporting Person

SMOLYANSKY LUDMILA

(Last) (First) (Middle)

C/O LIFEWAY FOODS, INC.

6431 W. OAKTON ST

MORTON GROVE IL 60053

2. Issuer Name and Ticker or Trading Symbol

LIFEWAY FOODS INC [ LWAY ]

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

06/25/2012

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

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

X Form filed by One Reporting Person

X Form filed by More than One Reporting Person

5. Relationship of Reporting Person(s) to Issuer (Check all applicable)

X Director

X 10% Owner

Officer (give title below)

Other (specify below)

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

1. Title of Security (Instr. 3)

Common stock, no par value

Common stock, no par value

2. Transaction Date (Month/Day/Year)

06/25/2012

3A. Deemed Execution Date, if any (Month/Day/Year)

S

4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)

A

5. Amount of Securities Acquired Following Reported Transaction(s) (Instr. 3 and 4)

7,415,484

6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)

I

7. Nature of Indirect Beneficial Ownership (Instr. 4)

See Footnote (1)

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

1. Title of Derivative Security (Instr. 3)

2. Conversion or Exercise Price of Derivative Security

3. Transaction Date (Month/Day/Year)

3A. Deemed Execution Date, if any (Month/Day/Year)

4. Transaction Code (Instr. 8)

5. Number of Derivative Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)

6. Date Exercisable and Expiration Date (Month/Day/Year)

7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)

8. Price of Derivative Security (Instr. 5)

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

10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)

11. Nature of Indirect Beneficial Ownership (Instr. 4)

Code V (A) (D)

Date Exercisable

Expiration Date

Amount or Number of Shares

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 Family Foundation, of which Ludmila Smolyansky is a trustee.

/s/ Ludmila Smolyansky

06/27/2012

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.