Statement of Changes in Beneficial Ownership

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

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 ]

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

3. Date of Earliest Transaction (Month/Day/Year)
   09/26/2011

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
   Form filed by More than One Reporting Person

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**Table I - Non-Derivative Securities Acquired, Disposed of, orBeneficially 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 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>09/26/2011</td>
<td>s</td>
<td></td>
<td>1,030 D</td>
<td>$10.48 7,437,252</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>09/26/2011</td>
<td>s</td>
<td></td>
<td>1,983 D</td>
<td>$10.49 7,435,269</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>09/26/2011</td>
<td>s</td>
<td></td>
<td>600 D</td>
<td>$10.5 7,434,669</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>09/26/2011</td>
<td>s</td>
<td></td>
<td>2,096 D</td>
<td>$10.47 7,432,573</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>09/26/2011</td>
<td>s</td>
<td></td>
<td>1,568 D</td>
<td>$10.35 7,431,005</td>
<td>D</td>
<td></td>
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<tr>
<td>Common stock, no par value</td>
<td>09/23/2011</td>
<td>s</td>
<td></td>
<td>200 D</td>
<td>$10.46 7,430,805</td>
<td>D</td>
<td></td>
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<td>Common stock, no par value</td>
<td>09/26/2011</td>
<td>s</td>
<td></td>
<td>560 D</td>
<td>$10.45 7,430,245</td>
<td>D</td>
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<tr>
<td>Common stock, no par value</td>
<td>09/23/2011</td>
<td>s</td>
<td></td>
<td>1,123 D</td>
<td>$10.41 7,429,122</td>
<td>D</td>
<td></td>
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<tr>
<td>Common stock, no par value</td>
<td>09/26/2011</td>
<td>s</td>
<td></td>
<td>16 D</td>
<td>$10.58 7,429,106</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>1. Title of Derivative Security (Instr. 3)</td>
<td>2. Conversion or Exercise Price of Derivative Security</td>
<td>3. Transaction Date (Month/Day/Year)</td>
<td>4. Transaction Code (Instr. 8)</td>
<td>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</td>
<td>6. Date Exercisable and Expiration Date (Month/Day/Year)</td>
<td>7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)</td>
<td>8. Price of Derivative Security (Instr. 5)</td>
</tr>
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<td>------------------------------------------</td>
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</tr>
<tr>
<td>Common stock, no par value</td>
<td>$10.55</td>
<td>D</td>
<td>670</td>
<td>$10.36</td>
<td>7,428,436</td>
<td>D</td>
<td>7,428,352</td>
</tr>
<tr>
<td>Common stock, no par value</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Explaination of Responses:
1. These shares are held by The Smolyansky Foundation, of which Ludmila Smolyansky is a trustee.

By: /s/ Ludmila Smolyansky
09/27/2011
** 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.