1. Name and Address of Reporting Person
SMOLYANSKY, LUDMILA
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)
12/15/2015

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

5. Relationship of Reporting Person(s) to Issuer
X Director
X 10% Owner

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

<table>
<thead>
<tr>
<th>Title of Security (Instr. 3)</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Date of Deemed Execution (Month/Day/Year)</th>
<th>Transaction Code (Instr. 8)</th>
<th>Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)</th>
<th>Amount or Number of Shares (A) or (D)</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock, no par value</td>
<td>10/08/2015</td>
<td></td>
<td>G</td>
<td>V</td>
<td>500,000</td>
<td>$0</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td>12/15/2015</td>
<td></td>
<td>D</td>
<td></td>
<td>30,000</td>
<td>$11.64</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>Date Exercisable (Month/Day/Year)</th>
<th>Expiration Date (Month/Day/Year)</th>
<th>Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)</th>
<th>Price of Derivative Security (Instr. 5)</th>
<th>Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)</th>
<th>Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
</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 Reporting Person sold such shares to the Issuer in a privately negotiated transaction exempt under Rule 16b-3(c).

Remarks: