**STANDARD FORM 4**

1. Name and Address of Reporting Person
   **SMOLYANSKY JULIE**
   (Last) GROVE  (First) IL  (Middle) 60053
   C/O LIFEWAY FOODS, INC.
   6431 W. OAKTON ST.

2. Issuer Name and Ticker or Trading Symbol
   **LIFEWAY FOODS INC [ LWAY ]**

3. Date of Earliest Transaction (Month/Day/Year)
   08/17/2016

4. If Amendment, Date of Original Filed (Month/Day/Year)
   08/19/2016

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

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>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></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>499,262</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15,720</td>
<td>I</td>
<td>See Footnote**(1)**</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,886</td>
<td>I</td>
<td>See Footnote**(2)**</td>
</tr>
<tr>
<td>Common stock, no par value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>500,000</td>
<td>I</td>
<td>See Footnote**(3)**</td>
</tr>
</tbody>
</table>

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

<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 Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Shares</td>
<td>$0</td>
<td>08/17/2016</td>
<td></td>
<td>A</td>
<td>9,407</td>
<td>Date Exercisable: (4) 08/17/2017 Expiration Date: (4) 08/17/2017</td>
<td>Title: Common Stock Amount or Number of Shares: 9,407 $0 9,407 D</td>
</tr>
</tbody>
</table>

### Explanation of Responses:
1. Held for the benefit of minor children.
2. Held by the Reporting Person’s spouse.
3. The reporting person is the beneficial owner of 50% of Smolyansky Holding LLC and disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.
4. The performance-based shares vest one year from the vesting commencement date of August 17, 2016, subject to the individual continuing to provide services to the company through the vesting date.

By: /s/ Julie Smolyansky 08/19/2016
** Signature of Reporting Person Date **

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* 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.