

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

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

Check this box if no longer subject to Section 16, Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Check this box to indicate that a transaction was made pursuant to a contract, instruction or written plan for the purchase or sale of equity securities of the issuer that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). See Instruction 10.

1. Name and Address of Reporting Person* <u>SCHER JASON SCOTT</u> <hr/> (Last) (First) (Middle) <u>C/O LIFEWAY FOODS, INC.</u> <u>6431 OAKTON STREET</u> <hr/> (Street) <u>MORTON IL 60053</u> <hr/> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Lifeway Foods, Inc. [LWAY]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>08/12/2023</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)				4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)				
Common Stock, no par value							24,567	D		

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						Title
Restricted Stock Units	(1)(2)	08/12/2023		D			1,786	(1)	(1)	Common Stock	1,786	(1)	1,785	D	
Restricted Stock Units	(3)(4)	08/31/2023		D			1,600	(3)	(3)	Common Stock	1,600	(3)	3,200	D	
Phantom Stock	(2)(5)	08/12/2023		A			1,785	(6)	(6)	Common Stock	1,785	(5)	38,840 ⁽⁷⁾	D	
Phantom Stock	(3)(5)	08/31/2023		A			1,600	(6)	(6)	Common Stock	1,600	(5)	40,440	D	
Restricted Stock Units	(8)	08/31/2023		A			4,652	(8)	(8)	Common Stock	4,652	(8)	4,652	D	

Explanation of Responses:

1. Each restricted stock unit ("RSU") represents a contingent right once vested and as soon as practicable after the Reporting Person no longer serves as director to receive one share of Issuer's common stock. Such RSUs were granted upon conversion of the Reporting Person's Board of Director compensation in fiscal year 2021 into RSUs. 1,785 will vest and become non-forfeitable on August 12, 2024 and will be forfeited if the Reporting Person's service as director terminates for any reason other than his death or disability or a change in control of the Company.

2. In connection with the vesting on August 12, 2023 of RSUs previously granted to the Reporting Person, the Reporting Person's receipt of 1,785 shares of common stock was deferred resulting in the Reporting Person's receipt instead of 1,785 shares of phantom stock pursuant to the Company's Non-Employee Director Equity and Deferred Compensation Plan (the "Director Plan"). The Reporting Person is therefore

reporting the disposition of 1,785 RSUs in exchange for an equal number of shares of phantom stock.

3. Each RSU has a value equal to one share of common stock. Of such restricted stock units, 1,600 will vest on each of August 31, 2024 and 2025, contingent on the Reporting Person's continued service as a Director on each applicable vesting date.

4. In connection with the vesting on August 31, 2023 of RSUs previously granted to the Reporting Person, the Reporting Person's receipt of 1,600 shares of common stock was deferred resulting in the Reporting Person's receipt instead of 1,600 shares of phantom stock pursuant to the Director Plan. The Reporting Person is therefore reporting the disposition of 1,600 RSUs in exchange for an equal number of shares of phantom stock.

5. Each share of phantom stock represents a right to receive one share of common stock.

6. The phantom stock becomes payable on the date that the Reporting Person no longer serves as a director of the Company.

7. Amount includes a ministerial change to reflect 37,054 shares of phantom stock previously reported as vested RSUs.

8. Each RSU has a value equal to one share of common stock. Of such RSUs, 1,551 will vest on each of August 31, 2024 and 2025 and 1,550 will vest on August 31, 2026, contingent on the Reporting Person's continued service as a Director on each applicable vesting date.

Remarks:

EX-24. Power of Attorney, dated as of January 13, 2023.

[/s/ Eric Hanson, as attorney-in-](#)
[fact](#)

[09/05/2023](#)

** 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).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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.