

SMOLYANSKY LUDMILA
Form 4
October 27, 2011

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
SMOLYANSKY LUDMILA

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
10/24/2011

Director 10% Owner
 Officer (give title below) Other (specify below)

C/O LIFEWAY FOODS, INC., 6431 W. OAKTON ST.

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

MORTON GROVE, IL 60053

(City) (State) (Zip)

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 Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|------------------------------------|-------------------------|
| | | | Code | V | Amount (A) or Price (D) | | | |
| Common stock, no par value | 10/24/2011 | | S | | 3,500 | D | \$ 10.8 7,422,852 ⁽³⁾ I | See Footnote <u>(1)</u> |
| Common stock, no par value | 10/24/2011 | | S | | 1,250 | D | \$ 10.86 7,421,602 I | See Footnote <u>(1)</u> |
| Common stock, no par value | 10/24/2011 | | S | | 1,500 | D | \$ 10.87 7,420,102 I | See Footnote <u>(1)</u> |
| Common stock, no | 10/24/2011 | | S | | 518 | D | \$ 10.88 7,419,584 I | See Footnote |

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| | | | | | | | | |
|----------------------------|------------|---|-------|---|----------|-----------|---|------------------|
| par value | | | | | | | | (1) |
| Common stock, no par value | 10/24/2011 | S | 600 | D | \$ 10.94 | 7,418,984 | I | See Footnote (1) |
| Common stock, no par value | 10/24/2011 | S | 200 | D | \$ 10.95 | 7,418,784 | I | See Footnote (1) |
| Common stock, no par value | 10/24/2011 | S | 2,684 | D | \$ 10.96 | 7,416,100 | I | See Footnote (1) |
| Common stock, no par value | 10/24/2011 | S | 49 | D | \$ 10.99 | 7,416,051 | I | See Footnote (1) |
| Common stock, no par value | 10/24/2011 | S | 267 | D | \$ 11.03 | 7,415,784 | I | See Footnote (1) |
| Common stock, no par value | 10/25/2011 | S | 300 | D | \$ 10.65 | 7,415,484 | I | See Footnote (1) |
| Common stock, no par value | | | | | | 15,000 | I | See Footnote (2) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

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 Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V | (A) | (D) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SMOLYANSKY LUDMILA C/O LIFEWAY FOODS, INC. 6431 W. OAKTON ST. MORTON GROVE, IL 60053 | X | X | | |

Signatures

By: /s/ Ludmila Smolyansky
Date: 10/27/2011

**Signature of Reporting Person Date

Explanation of Responses:

- * 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).
- (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 Foundation, of which Ludmila Smolyansky is a trustee.
- (3) All of the shares were transferred to the Ludmila Smolyansky Trust 2/1/05, of which Ludmila Smolyansky is the sole beneficiary and sole trustee. The transfer constituted a change in form of beneficial ownership under Rule 16a-13.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.