

LIFEWAY FOODS INC  
Form 4  
April 26, 2007

**FORM 4**

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

OMB APPROVAL

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

**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

(Last) (First) (Middle)

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

(Street)

MORTON GROVE, IL 60053

(City) (State) (Zip)

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

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

04/24/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

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) | (A) or (D) | 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|---|--|---|
| Common Stock, no par value      | 04/24/2007                           |  | S                              | 700   | D          | \$ 9.13 35,300  | I  | See Footnotes (1) (2)                                 |
| Common Stock, no par value      | 04/24/2007                           |  | S                              | 100   | D          | \$ 9.1301 35,200  | I  | See Footnotes (1) (2)                                 |
| Common Stock, no par value      | 04/24/2007                           |  | S                              | 150   | D          | \$ 9.15 35,050  | I  | See Footnotes (1) (2)                                 |
| Common Stock, no par value      | 04/24/2007                           |  | S                              | 200   | D          | \$ 9.1501 34,850  | I  | See Footnotes   |

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|                            |            |   |       |   |           |        |   |                                     |
|----------------------------|------------|---|-------|---|-----------|--------|---|-------------------------------------|
| par value                  |            |   |       |   |           |        |   | <u>(1)</u> <u>(2)</u>               |
| Common Stock, no par value | 04/24/2007 | S | 1,425 | D | \$ 9.16   | 33,425 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 60    | D | \$ 9.1601 | 33,365 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 2,100 | D | \$ 9.17   | 31,265 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 1,000 | D | \$ 9.18   | 30,265 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 100   | D | \$ 9.1801 | 30,165 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 300   | D | \$ 9.19   | 29,865 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 22    | D | \$ 9.2    | 29,843 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 195   | D | \$ 9.23   | 29,648 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 300   | D | \$ 9.24   | 29,348 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 3,000 | D | \$ 9.255  | 26,348 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 3,705 | D | \$ 9.26   | 22,643 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 1,500 | D | \$ 9.27   | 21,143 | I | See Footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value | 04/24/2007 | S | 400   | D | \$ 9.29   | 20,743 | I | See Footnotes                       |
| Common Stock, no par value | 04/24/2007 | S | 2,000 | D | \$ 9.296  | 18,743 | I | See Footnotes <u>(1)</u> <u>(2)</u> |

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|                            |            |   |       |   |           |           |   |                       |
|----------------------------|------------|---|-------|---|-----------|-----------|---|-----------------------|
| Common Stock, no par value | 04/24/2007 | S | 7,098 | D | \$ 9.3    | 11,645    | I | See Footnotes (1) (2) |
| Common Stock, no par value | 04/24/2007 | S | 300   | D | \$ 9.3001 | 11,345    | I | See Footnotes (1) (2) |
| Common Stock, no par value | 04/24/2007 | S | 202   | D | \$ 9.31   | 11,143    | I | See Footnotes (1) (2) |
| Common Stock, no par value |            |   |       |   |           | 7,609,554 | D |                       |

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

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**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 (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

## Reporting Owners

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

## Signatures

/s/ Ludmila  
Smolyansky

04/26/2007

\_\_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) These shares are held in the Smolyansky Family Foundation, of which Ludmila Smolyansky is a trustee.
  - (2) The number of shares in this column shows an increase from the reporting person's prior filings in order to correct a newly discovered discrepancy of 4000 additional shares owned by the reporting person.

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