LIFEWAY FOODS INC

Form 4

August 19, 2016

FORM 4

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

OMB Number: 3235-0287

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005
Estimated average

OMB APPROVAL

Form 4 or Form 5 obligations may continue.

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

burden hours per response... 0.5

See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

| 1. Name and Address of Reporting Person * SMOLYANSKY JULIE | | | 2. Issuer Name and Ticker or Trading Symbol LIFEWAY FOODS INC [LWAY] | 5. Relationship of Reporting Person(s) to Issuer | | |
|--|---------|--------------|--|--|--|--|
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction | (Check all applicable) | | |
| C/O LIFEWAY FOODS, INC., 6431 W. OAKTON ST. | | , INC., 6431 | (Month/Day/Year) 08/17/2016 | _X_ Director 10% Owner _X_ Officer (give title Other (specify below) President and CEO | | |
| (Street) | | | 4. If Amendment, Date Original | 6. Individual or Joint/Group Filing(Check | | |
| MORTON GROVE, IL 60053 | | | Filed(Month/Day/Year) | Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person | | |

| (City) | (State) (Z | Zip) Table | I - Non-D | erivative Securities A | cquired, Disposed | of, or Beneficia | lly Owned |
|--------------------------------------|---|---|--|--|--|--|---|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transactic Code (Instr. 8) | 4. Securities onAcquired (A) or Disposed of (D) (Instr. 3, 4 and 5) (A) or Amount (D) Price | 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 | | | | | 499,262 | D | |
| Common stock, no par value | | | | | 15,720 | I | See Footnote (1) |
| Common stock, no par value | | | | | 2,886 | I | See Footnote (2) |
| Common stock, no | | | | | 500,000 | I | See Footnote |

(3) par value

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

Persons who respond to the collection of SEC 1474 information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

(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. Transactic Code (Instr. 8) | 5. Number op f Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | vative Expiration Date Under U | | 7. Title and A Underlying S (Instr. 3 and | Securities |
|---|---|---|---|--|---|--|--------------------|---|--|
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Performance Shares | \$0 | 08/17/2016 | | A | 9,407 | <u>(4)</u> | 08/17/2017 | Common Stock | 9,407 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | |
|--------------------------------|---------------|-----------|---------------------|-------|--|--|
| 1 | Director | 10% Owner | Officer | Other | | |
| SMOLYANSKY JULIE | | | | | | |
| C/O LIFEWAY FOODS, INC. | X | | President and CEO | | | |
| 6431 W. OAKTON ST. | Λ | | riesiuciii aliu CEO | | | |
| MORTON GROVE, IL 60053 | | | | | | |

Signatures

By: /s/ Julie 08/19/2016 Smolyansky

**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) Held for the benefit of minor children.
- (2) Held by the Reporting Person's spouse.

(3)

Reporting Owners 2

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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.

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.