

Pacific Ethanol, Inc.  
Form 4  
January 14, 2016

# 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 \*  
Candlewood Investment Group, LP

2. Issuer Name and Ticker or Trading Symbol  
Pacific Ethanol, Inc. [PEIX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

555 THEODORE FREMD AVE.,  
SUITE C-303

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

RYE, NY 10580

(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 Indirect Beneficial Ownership (Instr. 4)			
				(A) or (D)	Price					
				Code	V	Amount				
Common Stock	01/12/2016		P		236,654	A	\$ 3.1006 (1)	3,228,841	I	See footnote (4)
Common Stock	01/12/2016		P		32,271	A	\$ 3.1006 (1)	551,632	I	See footnote (4)
Common Stock	01/13/2016		P		425,685	A	\$ 3.2247 (2)	3,654,526	I	See footnote (4)
Common Stock	01/13/2016		P		58,048	A	\$ 3.2247	609,680	I	See footnote

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					(2)			(4)
Common Stock	01/14/2016	P	63,260	A	\$ 3.356 (3)	3,717,786	I	See footnote (4)
Common Stock	01/14/2016	P	8,626	A	\$ 3.356 (3)	618,306	I	See footnote (4)
Common Stock	01/14/2016	P	880,000	A	\$ 3.55	4,597,786	I	See footnote (4)
Common Stock	01/14/2016	P	120,000	A	\$ 3.55	738,306	I	See footnote (4)
Common Stock						3,126,184	I	See footnote (4)
Common Stock						77,293	I	See footnote (4)
Common Stock						48,153	I	See footnote (5)
Common Stock						192,612	I	See footnote (5)

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)
				Code	V	(A) (D) Date Exercisable	Expiration Date	Title	Amount or

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Candlewood Investment Group, LP 555 THEODORE FREMD AVE., SUITE C-303 RYE, NY 10580		X		
Candlewood Special Situations General, LLC 555 THEODORE FREMD AVE., SUITE C-303 RYE, NY 10580		X		
Candlewood Investment Group General, LLC 555 THEODORE FREMD AVE., SUITE C-303 RYE, NY 10580		X		

## Signatures

/s/ Candlewood Investment Group, LP, by Janet Miller, its Chief Operating Officer and General Counsel		01/14/2016
__Signature of Reporting Person		Date
/s/ Candlewood Special Situations General, LLC, by Michael Lau, its Class A Member		01/14/2016
__Signature of Reporting Person		Date
/s/ Candlewood Investment Group General, LLC, by Michael Lau, its Manager		01/14/2016
__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) This transaction was executed in multiple trades at prices ranging from \$3.035 to \$3.180. The price reported above reflects the weighted average sale price. Detailed information regarding the number of shares transacted at each separate price will be provided upon request by the Commission staff, the Issuer or a security holder of the Issuer.
  - (2) This transaction was executed in multiple trades at prices ranging from \$3.11 to \$3.45. The price reported above reflects the weighted average sale price. Detailed information regarding the number of shares transacted at each separate price will be provided upon request by the Commission staff, the Issuer or a security holder of the Issuer.
  - (3) This transaction was executed in multiple trades at prices ranging from \$3.26 to \$3.43. The price reported above reflects the weighted average sale price. Detailed information regarding the number of shares transacted at each separate price will be provided upon request by the Commission staff, the Issuer or a security holder of the Issuer.
- (4) The securities are directly held by private investment funds for which (i) Candlewood Investment Group, LP (the "Investment Manager") serves as the investment manager and (ii) Candlewood Special Situations General, LLC (the "Fund GP") serves as the general partner. Candlewood Investment Group General, LLC (the "Manager GP") serves as the general partner of the Investment Manager. Each of the Investment Manager, the Fund GP and the Manager GP disclaims pecuniary interest in the reported securities except to the extent of its economic interest.
- (5) The securities are directly held by private investment funds for which the Investment Manager controls the investment manager advising such funds. The Manager GP serves as the general partner of the Investment Manager. Each of the Investment Manager and the Manager GP disclaims pecuniary interest in the reported securities except to the extent of its economic interest.

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