

Pacific Ethanol, Inc.  
Form 4  
February 02, 2016

**FORM 4**

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

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

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Candlewood Investment Group, LP

(Last) (First) (Middle)

555 THEODORE FREMD AVE.,  
SUITE C-303

(Street)

RYE, NY 10580

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/29/2016

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

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_ Form filed by One Reporting Person  
\_\_\_\_X\_\_\_\_ 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)   | Price  |   |   |                  |
| Common Stock                    | 01/29/2016                           |  | P                              |   | 18,128  | A \$ 3.363 (1)   | 4,615,914   | I | See footnote (4) |
| Common Stock                    | 01/29/2016                           |  | P                              |   | 2,472   | A \$ 3.363 (1)   | 740,778   | I | See footnote (5) |
| Common Stock                    | 02/01/2016                           |  | P                              |   | 170,993   | A \$ 3.3444 (2)  | 4,786,907   | I | See footnote (4) |
| Common Stock                    | 02/01/2016                           |  | P                              |   | 23,317  | A \$ 3.3444  | 764,095   | I | See footnote     |

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|              |            |   |         |   |  |           |   |                                    |
|--------------|------------|---|---------|---|--|-----------|---|------------------------------------|
| Common Stock | 02/02/2016 | P | 974,699 | A | <sup>(2)</sup><br>\$ 3.293<br><sup>(3)</sup> | 5,761,606 | I | <sup>(5)</sup><br>See footnote (4) |
| Common Stock | 02/02/2016 | P | 132,914 | A | <sup>(2)</sup><br>\$ 3.293<br><sup>(3)</sup> | 897,009   | I | <sup>(5)</sup><br>See footnote (5) |
| Common Stock |            |   |         |   |  | 3,126,184 | I | <sup>(5)</sup><br>See footnote (5) |
| Common Stock |            |   |         |   |  | 77,293    | I | <sup>(5)</sup><br>See footnote (5) |
| Common Stock |            |   |         |   |  | 48,153    | I | <sup>(6)</sup><br>See footnote (6) |
| Common Stock |            |   |         |   |  | 192,612   | I | <sup>(6)</sup><br>See footnote (6) |

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares  |

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

## Signatures

/s/ Candlewood Investment Group, LP, by Janet Miller, its Chief Operating Officer and General Counsel

02/02/2016

**\*\*Signature of Reporting Person**

Date \_\_\_\_\_

/s/ Candlewood Special Situations General, LLC, by Michael Lau, its Class A Member

02/02/2016

**\*\*Signature of Reporting Person**

Date \_\_\_\_\_

/s/ Candlewood Investment Group General, LLC, by Michael Lau, its Manager

02/02/2016

**\*\*Signature of Reporting Person**

Date \_\_\_\_\_

/s/ Candlewood Special Situations Master Fund, Ltd., by David Koenig, its Portfolio Manager

02/02/2016

**\*\*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).

This transaction was executed in multiple trades at prices ranging from \$3.27 to \$3.40. The price reported above reflects the weighted

(1) 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.

This transaction was executed in multiple trades at prices ranging from \$3.29 to \$3.44. The price reported above reflects the weighted

(2) 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.

This transaction was executed in multiple trades at prices ranging from \$3.19 to \$3.305. The price reported above reflects the weighted

(3) 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.

The securities are directly held by Candlewood Special Situations Master Fund, Ltd. (the "Special Situations Fund"). Candlewood Investment Group, LP (the "Investment Manager") serves as the investment manager to the Special Situations Fund, and Candlewood

(4) Special Situations General, LLC (the "Fund GP") serves as the general partner of the Special Situations Fund. 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.

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(5) The securities are directly held by a private investment fund for which (i) the Investment Manager serves as the investment manager and (ii) the Fund GP serves as the general partner. 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.

(6) The securities are directly held by a private investment fund for which the Investment Manager controls the investment manager advising such fund. 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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