

GATES WILLIAM H III  
Form 4  
April 23, 2008

# FORM 4

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

OMB APPROVAL

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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 \*  
CASCADE INVESTMENT LLC

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)  
2365 CARILLON POINT  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
04/21/2008

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

KIRKLAND, WA 98033

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

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

(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)	
			Code	V	Amount			
Common Stock	04/21/2008		C <sup>(1)</sup>		131,250	A	\$ 8 132,250	D
Common Stock	04/21/2008		S		100	D	\$ 3.72 132,150	D
Common Stock	04/21/2008		S		26	D	\$ 3.71 132,124	D
Common Stock	04/21/2008		S		500	D	\$ 3.705 131,624	D
Common Stock	04/21/2008		S		2,700	D	\$ 3.7 128,924	D
	04/21/2008		S		400	D	\$ 3.69 128,524	D

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Common Stock							
Common Stock	04/21/2008	S	400	D	\$ 3.68	128,124	D
Common Stock	04/21/2008	S	700	D	\$ 3.67	127,424	D
Common Stock	04/21/2008	S	2,100	D	\$ 3.66	125,324	D
Common Stock	04/21/2008	S	2,625	D	\$ 3.65	122,699	D
Common Stock	04/21/2008	S	2,175	D	\$ 3.64	120,524	D
Common Stock	04/21/2008	S	4,500	D	\$ 3.63	116,024	D

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

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(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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Series A Cumulative Redeemable Convertible Preferred Stock	\$ 8	04/21/2008		C <sup>(1)</sup>	65,625	<sup>(2)</sup> <sup>(2)</sup>	Common Stock 131,250

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

CASCADE INVESTMENT LLC  
2365 CARILLON POINT X  
KIRKLAND, WA 98033

GATES WILLIAM H III  
ONE MICROSOFT WAY X  
REDMOND, WA 98052

## Signatures

Cascade Investment, L.L.C. By: /s/ Michael Larson, Business Manager 04/23/2008

\_\_Signature of Reporting Person Date

William H. Gates III By: /s/ Michael Larson\*, Attorney-In-Fact 04/23/2008

\_\_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) Each Series A Cumulative Redeemable Convertible Preferred Stock, ("Series A Preferred Stock") is convertible into two shares of Pacific Ethanol, Inc. ("Pacific Ethanol") common stock at a price per share of \$8. On April 21, 2008, Cascade Investment, L.L.C. ("Cascade") converted 65,625 shares of Series A Preferred Stock at a conversion price of \$8 a share, resulting in the issuance to Cascade of 131,250 shares of Pacific Ethanol common stock.

(2) The Series A Preferred Stock is convertible at any time at Cascade's option and there is no expiration date.

(3) On December 31, 2007, Pacific Ethanol issued Cascade an aggregate of 65,625 shares of Series A Preferred Stock in satisfaction of Pacific Ethanol's dividend obligations in respect of its outstanding shares of Series A Preferred Stock for the quarterly period ended December 31, 2007. Pacific Ethanol's quarterly dividend obligation was payable in cash in the amount of \$1,050,000 or, at the option of Pacific Ethanol, in shares of Series A Preferred Stock based on a price of \$16.00 per share.

### Remarks:

\* Duly authorized under Special Power of Attorney appointing Michael Larson attorney-in-fact, dated February 3, 2006, by an

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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