

Pacific Ethanol, Inc.  
Form 4  
May 16, 2008

**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 \*  
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)  
05/14/2008

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

KIRKLAND, WA 98033  
(City) (State) (Zip)

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

**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	05/14/2008		S		5,000	D	\$ 3.25
Common Stock	05/14/2008		S		1,200	D	\$ 3.23
Common Stock	05/14/2008		S		500	D	\$ 3.21
Common Stock	05/14/2008		S		500	D	\$ 3.205
Common Stock	05/14/2008		S		34,421	D	\$ 3.2
Common Stock	05/14/2008		S		20,000	D	\$ 3.19

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Common Stock							
Common Stock	05/14/2008	S	100	D	\$ 3.185	1,400,803	D
Common Stock	05/14/2008	S	4,500	D	\$ 3.18	1,396,303	D
Common Stock	05/14/2008	S	1,079	D	\$ 3.17	1,395,224	D
Common Stock	05/14/2008	S	4,400	D	\$ 3.16	1,390,824	D
Common Stock	05/14/2008	S	8,075	D	\$ 3.15	1,382,749	D
Common Stock	05/14/2008	S	225	D	\$ 3.14	1,382,524	D

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

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

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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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CASCADE INVESTMENT LLC 2365 CARILLON POINT KIRKLAND, WA 98033		X		

GATES WILLIAM H III  
ONE MICROSOFT WAY  
REDMOND, WA 98052

X

## Signatures

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

05/16/2008

\_\_Signature of Reporting Person

Date

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

05/16/2008

\_\_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).

### 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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