

FORM 4

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

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response...	0.5

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 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) <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)	
(Last) (First) (Middle) 555 THEODORE FREMD AVE, SUITE C-303		3. Date of Earliest Transaction (Month/Day/Year) 03/01/2017			
(Street) RYE, NY 10580		4. If Amendment, Date Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> 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	(A) or (D)	Price			
Common Stock	03/01/2017		j(1)		2,007,792	D	(1)	58,784	I	See Footnote (2)
Common Stock	03/01/2017		j(1)		118,935	D	(1)	0	I	See Footnote (3)
Common Stock	03/01/2017		j(1)		29,734	D	(1)	0	I	See Footnote (3)
Common Stock								3,987,194	I	See Footnote (4)
Common Stock								900,177	I	See Footnote (2)
Common Stock								77,292	I	See Footnote (2)

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 Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-Voting Common Stock	(5)	03/01/2017		j(1)		1,312,160	(5)	(5)	Common Stock	1,312,160	(1)	38,417	I	See Footnote (2)
Non-Voting Common Stock	(5)	03/01/2017		j(1)		115,376	(5)	(5)	Common Stock	115,376	(1)	0	I	See Footnote (3)
Non-Voting Common Stock	(5)	03/01/2017		j(1)		28,844	(5)	(5)	Common Stock	28,844	(1)	0	I	See Footnote (3)
Non-Voting Common Stock	(5)						(5)	(5)	Common Stock	1,797,147		1,797,147	I	See Footnote (4)
Non-Voting Common	(5)						(5)	(5)	Common Stock	201,226		201,226	I	See Footnote (2)

Stock Non- Voting Common Stock	(5)							(5)	(5)	Common Stock	46,298		46,298	I	See Footnote (2)
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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		
Candlewood Special Situations Master Fund, Ltd. 555 THEODORE FREMD AVE SUITE C-303 RYE, NY 10580		X		

Signatures

Candlewood Investment Group, LP, By: /s/ Janet Miller, its Chief Operating Officer and General Counsel <small>Signature of Reporting Person</small>		03/03/2017 <small>Date</small>
Candlewood Special Situations General, LLC, By: /s/ Michael Lau, its Class A Member <small>Signature of Reporting Person</small>		03/03/2017 <small>Date</small>
Candlewood Investment Group General, LLC, By: /s/ Michael Lau, its Manager <small>Signature of Reporting Person</small>		03/03/2017 <small>Date</small>
Candlewood Special Situations Master Fund, Ltd., By: /s/ David Koenig, its Portfolio Manager <small>Signature of Reporting Person</small>		03/03/2017 <small>Date</small>

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) On March 1, 2017, three private investment funds for which Candlewood Investment Group, LP serves as investment manager (the "Investment Manager") each distributed the Issuer's securities to its investors as part of a pro rata distribution.

The securities are directly held by a private investment fund for which (i) 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 Reporting Persons disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest.

(2) 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 Reporting Persons disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest.

The securities are directly held by Candlewood Special Situations Master Fund, Ltd. (the "Special Situations Fund"). The Investment Manager serves as the investment manager to the Special Situations Fund, and the Fund GP serves as the general partner of the Special Situations Fund. The Manager GP serves as the general partner of the Investment Manager. Each of the Reporting Persons, other than the Special Situations Fund, disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest.

(3) The Non-Voting Common Stock are convertible on a one-for-one basis into Common Stock. However, the holder cannot convert the securities if it and any of its affiliates would, after such conversion, beneficially own greater than 9.99% of the Common Stock. The beneficial ownership of the Common Stock by the holder and its affiliates currently exceeds 9.99%, and accordingly, it cannot currently convert any of the Non-Voting Common Stock. The right to convert Non-Voting Common Stock into Common Stock does not expire.

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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