

**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) ____ Director <input checked="" type="checkbox"/> 10% Owner ____ Officer (give title below) _____ Other (specify below)	
(Last) (First) (Middle) 2365 CARILLON POINT		3. Date of Earliest Transaction (Month/Day/Year) 05/05/2008		6. Individual or Joint/Group Filing (Check Applicable Line) ____ Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person	
(Street) KIRKLAND, WA 98033		4. If Amendment, Date Original Filed (Month/Day/Year)			
(City) (State) (Zip)		<b>Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned</b>			

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3A. 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)
Common Stock	05/05/2008		S	100	D \$ 3.85	2,002,424	D
Common Stock	05/05/2008		S	1,126	D \$ 3.76	2,001,298	D
Common Stock	05/05/2008		S	8,205	D \$ 3.75	1,993,093	D
Common Stock	05/05/2008		S	3,583	D \$ 3.74	1,989,510	D
Common Stock	05/05/2008		S	97	D \$ 3.73	1,989,413	D
Common Stock	05/05/2008		S	4,903	D \$ 3.72	1,984,510	D
Common Stock	05/05/2008		S	3,627	D \$ 3.71	1,980,883	D
Common Stock	05/05/2008		S	5,172	D \$ 3.7	1,975,711	D
Common Stock	05/05/2008		S	1,405	D \$ 3.69	1,974,306	D
Common Stock	05/05/2008		S	1,463	D \$ 3.68	1,972,843	D
Common Stock	05/05/2008		S	100	D \$ 3.67	1,972,743	D
Common Stock	05/05/2008		S	2,032	D \$ 3.66	1,970,711	D
Common Stock	05/05/2008		S	1,014	D \$ 3.65	1,969,697	D
Common Stock	05/05/2008		S	1,417	D \$ 3.64	1,968,280	D
Common Stock	05/05/2008		S	1,770	D \$ 3.63	1,966,510	D
Common Stock	05/05/2008		S	11	D \$ 3.6	1,966,499	D
Common Stock	05/05/2008		S	3,109	D \$ 3.57	1,963,390	D
Common Stock	05/05/2008		S	4,145	D \$ 3.56	1,959,245	D
Common Stock	05/05/2008		S	4,183	D \$ 3.55	1,955,062	D
Common Stock	05/05/2008		S	542	D \$ 3.54	1,954,520	D
Common Stock	05/05/2008		S	156	D \$ 3.535	1,954,364	D
Common Stock	05/05/2008		S	3,667	D \$ 3.53	1,950,697	D
Common Stock	05/05/2008		S	3,173	D \$ 3.5	1,947,524	D
Common Stock	05/05/2008		S	2,794	D \$ 3.48	1,944,730	D
Common Stock	05/05/2008		S	6,837	D \$ 3.45	1,937,893	D
Common Stock	05/05/2008		S	7,526	D \$ 3.44	1,930,367	D
Common Stock	05/05/2008		S	300	D \$ 3.435	1,930,067	D
Common Stock	05/05/2008		S	10,755	D \$ 3.43	1,919,312	D
Common Stock	05/05/2008		S	6,788	D \$ 3.42	1,912,524	D
Common Stock	05/05/2008		S	439	D \$ 3.41	1,912,085	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. 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(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)

