

---

---

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

---

## SCHEDULE 13D

Under the Securities Exchange Act of 1934  
(Amendment No. 1)\*

---

### Pacific Ethanol, Inc.

(Name of Issuer)

Common Stock, \$0.001 par value  
(Title of Class of Securities)

69423U305  
(CUSIP Number)

Janet Miller  
Chief Operating Officer and General Counsel  
Candlewood Investment Group, LP  
555 Theodore Fremd Ave., Suite C-303  
Rye, NY 10580  
(212) 493-4495

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

February 2, 2016  
(Date of Event Which Requires Filing of this Statement)

---

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

---

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

---

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

---

---

1.	Names of Reporting Persons.  Candlewood Investment Group, LP	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions)  AF	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  <input type="checkbox"/>	
6.	Citizenship or Place of Organization  Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power  0
	8.	Shared Voting Power  10,102,857
	9.	Sole Dispositive Power  0
	10.	Shared Dispositive Power  10,102,857
11.	Aggregate Amount Beneficially Owned by Each Reporting Person  10,102,857	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11)  25.9%	
14.	Type of Reporting Person (See Instructions)  IA	

1.	Names of Reporting Persons.  Michael Lau	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions)  AF	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  <input type="checkbox"/>	
6.	Citizenship or Place of Organization  United States	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power  0
	8.	Shared Voting Power  10,102,857
	9.	Sole Dispositive Power  0
	10.	Shared Dispositive Power  10,102,857
11.	Aggregate Amount Beneficially Owned by Each Reporting Person  10,102,857	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11)  25.9%	
14.	Type of Reporting Person (See Instructions)  IN	

1.	Names of Reporting Persons.  David Koenig	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions)  AF	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  <input type="checkbox"/>	
6.	Citizenship or Place of Organization  United States	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power  0
	8.	Shared Voting Power  10,102,857
	9.	Sole Dispositive Power  0
	10.	Shared Dispositive Power  10,102,857
11.	Aggregate Amount Beneficially Owned by Each Reporting Person  10,102,857	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11)  25.9%	
14.	Type of Reporting Person (See Instructions)  IN	

1.	Names of Reporting Persons.  Phil DeSantis	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions)  AF	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  <input type="checkbox"/>	
6.	Citizenship or Place of Organization  United States	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power  0
	8.	Shared Voting Power  10,102,857
	9.	Sole Dispositive Power  0
	10.	Shared Dispositive Power  10,102,857
11.	Aggregate Amount Beneficially Owned by Each Reporting Person  10,102,857	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11)  25.9%	
14.	Type of Reporting Person (See Instructions)  IN	

1.	Names of Reporting Persons.  Jonathan Weiss	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions)  AF	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  <input type="checkbox"/>	
6.	Citizenship or Place of Organization  United States	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power  0
	8.	Shared Voting Power  10,102,857
	9.	Sole Dispositive Power  0
	10.	Shared Dispositive Power  10,102,857
11.	Aggregate Amount Beneficially Owned by Each Reporting Person  10,102,857	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11)  25.9%	
14.	Type of Reporting Person (See Instructions)  IN	

1.	Names of Reporting Persons.  Candlewood Investment Group General, LLC	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions)  AF	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  <input type="checkbox"/>	
6.	Citizenship or Place of Organization  Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power  0
	8.	Shared Voting Power  10,102,857
	9.	Sole Dispositive Power  0
	10.	Shared Dispositive Power  10,102,857
11.	Aggregate Amount Beneficially Owned by Each Reporting Person  10,102,857	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11)  25.9%	
14.	Type of Reporting Person (See Instructions)  OO	

1.	Names of Reporting Persons.  Candlewood Special Situations General, LLC	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions)  AF	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  <input type="checkbox"/>	
6.	Citizenship or Place of Organization  Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power  0
	8.	Shared Voting Power  9,862,092
	9.	Sole Dispositive Power  0
	10.	Shared Dispositive Power  9,862,092
11.	Aggregate Amount Beneficially Owned by Each Reporting Person  9,862,092	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11)  25.3%	
14.	Type of Reporting Person (See Instructions)  OO	

1.	Names of Reporting Persons.  Candlewood Special Situations Master Fund, Ltd.	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions)  WC	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  <input type="checkbox"/>	
6.	Citizenship or Place of Organization  Cayman Islands	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power  0
	8.	Shared Voting Power  5,761,606
	9.	Sole Dispositive Power  0
	10.	Shared Dispositive Power  5,761,606
11.	Aggregate Amount Beneficially Owned by Each Reporting Person  5,761,606	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11)  14.8%	
14.	Type of Reporting Person (See Instructions)  OO	

1.	Names of Reporting Persons.  CWD OC 522 Master Fund, Ltd.	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC Use Only	
4.	Source of Funds (See Instructions)  WC	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  <input type="checkbox"/>	
6.	Citizenship or Place of Organization  Cayman Islands	
Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power  0
	8.	Shared Voting Power  3,126,184
	9.	Sole Dispositive Power  0
	10.	Shared Dispositive Power  3,126,184
11.	Aggregate Amount Beneficially Owned by Each Reporting Person  3,126,184	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  <input type="checkbox"/>	
13.	Percent of Class Represented by Amount in Row (11)  8.0%	
14.	Type of Reporting Person (See Instructions)  OO	

---

**Item 3. Source and Amount of Funds or Other Consideration**

Item 3 is amended and supplemented as follows:

The Special Situations Fund and another private investment fund advised by the Investment Manager purchased the shares of Common Stock set forth in Item 5(c) using funds from working capital. The information in Item 5(c) is incorporated into this Item 3 by reference.

**Item 5. Interest in Securities of the Issuer**

Item 5 is amended and restated as follows:

(a)-(b) The information set forth in rows 7 through 13 of the cover pages to this Schedule 13D is incorporated by reference. The percentage set forth in row 13 is based on 38,978,689 outstanding shares of Common Stock as of November 6, 2015, as reported in the Issuer's Form 10-Q filed on November 6, 2015. Certain private investment funds advised by the Investment Manager or an entity controlled by the Investment Manager, including the Special Situations Fund and the OC Fund, directly hold the shares of Common Stock. The Fund GP serves as general partner to certain of these private investment funds, including the Special Situations Fund and the OC Fund.

The Special Situations Fund, the OC Fund and certain other private investment funds advised by the Investment Manager or an entity controlled by the Investment Manager also directly hold shares of non-voting common stock, \$0.001 par value, of the Issuer (the "Non-Voting Common Stock"). The Special Situations Funds holds 1,796,071 shares of Non-Voting Common Stock; the OC Fund holds 1,352,316 shares of Non-Voting Common Stock; and certain other private investment funds advised by the Investment Manager or an entity controlled by the Investment Manager hold, in the aggregate, 391,745 shares of Non-Voting Common Stock. The Non-Voting Common Stock are convertible on a one-for-one basis into Common Stock (i) if the holder of such shares of Non-Voting Common Stock and any of its affiliates would not, after such conversion, beneficially own greater than 9.99% of the Company's outstanding shares of Common Stock and (ii) no earlier than sixty-one days after the Company receives a notice of conversion from the holder. Because the Reporting Persons cannot acquire such converted Common Stock within sixty days, they do not have beneficial ownership of such converted Common Stock.

(c) Schedule B sets forth all transactions with respect to the Common Stock effected by any Reporting Person and any person named in Schedule A since the filing of the original Schedule 13D on January 14, 2016.

(d) The private investment funds advised by the Investment Manager or an entity controlled by the Investment Manager that directly hold the shares of Common Stock have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock (the "Economic Interest") reported as beneficially owned by the Investment Manager, the Fund GP, the Manager GP and the Managing Partners. The Economic Interest of each of the Special Situations Fund and the OC Fund exceeds five percent of the Common Stock.

(e) Not applicable

---

**SIGNATURES**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 3, 2016

CANDLEWOOD INVESTMENT GROUP, LP

By: /s/ Janet Miller

Name: Janet Miller

Title: COO/GC/Authorized Person

CANDLEWOOD INVESTMENT GROUP  
GENERAL, LLC

By: /s/ Michael Lau

Name: Michael Lau

Title: Manager

CANDLEWOOD SPECIAL SITUATIONS MASTER  
FUND, LTD.

By: /s/ David Koenig

Name: David Koenig

Title: Portfolio Manager

CWD OC 522 MASTER FUND, LTD.

By: /s/ David Koenig

Name: David Koenig

Title: Portfolio Manager

CANDLEWOOD SPECIAL SITUATIONS  
GENERAL, LLC

By: /s/ Michael Lau

Name: Michael Lau

Title: Class A Member

/s/ Michael Lau

Michael Lau

/s/ David Koenig

David Koenig

/s/ Phil DeSantis

Phil DeSantis

/s/ Jonathan Weiss

Jonathan Weiss

---

**Schedule B**

Except as otherwise noted below, all such transactions were purchases of Common Stock effected in the open market, and the weighted average price per share includes commissions paid.

<u>Name</u>	<u>Date of Transaction</u>	<u>Amount of Securities</u>	<u>Weighted Average Price per Share</u>
Special Situations Fund	January 29, 2016	18,128 <sup>(1)</sup>	\$ 3.363 <sup>(1)</sup>
Fund advised by Investment Manager	January 29, 2016	2,472 <sup>(1)</sup>	\$ 3.363 <sup>(1)</sup>
Special Situations Fund	February 1, 2016	170,993 <sup>(2)</sup>	\$ 3.3444 <sup>(2)</sup>
Fund advised by Investment Manager	February 1, 2016	23,317 <sup>(2)</sup>	\$ 3.3444 <sup>(2)</sup>
Special Situations Fund	February 2, 2016	974,699 <sup>(3)</sup>	\$ 3.293 <sup>(3)</sup>
Fund advised by Investment Manager	February 2, 2016	132,914 <sup>(3)</sup>	\$ 3.293 <sup>(3)</sup>

- (1) The purchases were executed in multiple transactions ranging from \$3.27 to \$3.40. The Reporting Persons undertake to provide full information regarding the number of shares purchased at each separate price upon request by the staff of the Securities and Exchange Commission. The shares were allocated between the purchasing private investment funds pursuant to the Investment Manager's trade allocation policy.
- (2) The purchases were executed in multiple transactions ranging from \$3.29 to \$3.44. The Reporting Persons undertake to provide full information regarding the number of shares purchased at each separate price upon request by the staff of the Securities and Exchange Commission. The shares were allocated between the purchasing private investment funds pursuant to the Investment Manager's trade allocation policy.
- (3) The purchases were executed in multiple transactions ranging from \$3.19 to \$3.305. The Reporting Persons undertake to provide full information regarding the number of shares purchased at each separate price upon request by the staff of the Securities and Exchange Commission. The shares were allocated between the purchasing private investment funds pursuant to the Investment Manager's trade allocation policy.