# 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 Ty	pe Response	ss)																
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)						
555 THEODORE FREMD AVE, SUITE C-303				_	3. Date of Earliest Transaction (Month/Day/Year) 12/12/2016							er (give title belo		Other (specify l	pelow)			
(Street) RYE, NY 10580					4. If A	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)		Т	able I - N	on-D	erivative Se	curitio	es Acqui	red, Disp	osed of, or l	Beneficially	Owned			
1.Title of S	Security		2. Trans	saction	2A. Deei	med	3. Transa	ction	4. Securities	s Acqu	uired (A)	5. Amo	unt of Secur	rities	6.	7. Nature		
(Instr. 3)	·			/Day/Year)	any	ion Date, if	Code (Instr. 8)		or Disposed of (Instr. 3, 4 and		) ` ´	Beneficially Owned Follo Reported Transaction(s) (Instr. 3 and 4)			Form: Direct (D)	Beneficial Ownership		
							Code	V	Amount	(A) or (D)	Price				or Indirect (I) (Instr. 4)	(Instr. 4)		
Common	Stock		12/12/2	2016			S		1,737,390	D	\$ 9.33	4,046,	369		I	See Footnote (1)		
Common	Stock		12/12/2	2016			S		1,026,379	D	\$ 9.33	2,101,	534		I	See Footnote		
Common	Stock		12/12/2	2016			S		70,585	D	\$ 9.33	122,02	29		I	See Footnote (3)		
Common	Stock		12/12/2	2016			S		17,646	D	\$ 9.33	30,507	7		I	See Footnote		
Common	Stock		12/12/2	2016			S		76,148		\$ 10.334 (4)	5 3,970,	221		I	See Footnote		
Common	Stock		12/12/2	2016			S		44,985		\$ 10.334 (4)	5 2,056,	549		I	See Footnote		
Common	Stock		12/12/2	2016			S		3,094		\$ 10.334 (4)	5 118,93	35		I	See Footnote (3)		
Common	Stock		12/12/2	2016			S		773	D	\$ 10.334 (4)	5 29,734	1		I	See Footnote (3)		
Common	Stock											900,17	77		I	See Footnote		
Common	Stock											77,292	2		I	See Footnote		
Reminder: indirectly.	Report on a	separate li	ne for eac	h class of se	ecurities 1	beneficially	owned d	irectl	y or									
								C	ersons who ontained in ie form dis	this i	form ar	e not req	uired to re	spond unl	ess	EC 1474 (9- 02)		
				Table II					, Disposed of				i					
1. Title of	2	3. Transa	ction	3A. Deeme		its, calls, v			ons, converti			itle and	8 Prior of	9. Number	of 10.	11. Natu		
	Conversion or Exercise Price of Derivative Security	Date		Execution	Date, if	Code	n of	ive (ies	nd Expiratio Month/Day/\	n Date	e Ame Und Seco	ount of lerlying urities tr. 3 and	Derivative Security (Instr. 5)		Owners Form of Derivati Security Direct ( or Indirect	hip of Indire Beneficitive Ownersh (Instr. 4)		
					-		(Instr. 3 4, and 5					Amount		(Instr. 4)	(Instr. 4	)		

						Date	Expiration	Title	Number		
						Exercisable	Date		of		
		Code	V	(A)	(D)				Shares		

#### **Reporting Owners**

D (1 0 N ///)	Relationships						
Reporting Owner Name / Address	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	12/14/2016
**Signature of Reporting Person	Date
Candlewood Special Situations General, LLC, By: /s/ Michael Lau, its Class A Member	12/14/2016
**Signature of Reporting Person	Date
Candlewood Investment Group General, LLC, By: /s/ Michael Lau, its Manager	12/14/2016
**Signature of Reporting Person	Date
Candlewood Special Situations Master Fund, Ltd., By: /s/ David Koenig, its Portfolio Manager	12/14/2016
**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).
- The securities are directly held by Candlewood Special Situations Master Fund, Ltd. (the "Special Situations Fund"). Candlewood Investment Group, LP (the "Investment Manager") serves as the investment manager to the Special Situations Fund, and Candlewood Special Situations General, LLC (the "Fund GP") serves as the general partner of the Special Situations Fund. Candlewood Investment Group General, LLC (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.
- The securities are directly held by a private investment fund for which (i) the Investment Manager serves as the investment manager and (ii) the Fund GP serves as the (2) general partner. 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 a private investment fund for which the Investment Manager controls the investment manager advising such fund. The Manager GP (3) 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.
- (4) The transactions were executed in multiple trades at prices ranging from \$10.05 to \$10.75. The price above reflects the weighted average sales price. Detailed information regarding the number of shares sold at each separate price will be provided upon request by the Commission staff, the Issuer or a security holder of the Issuer.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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