

Pacific Ethanol, Inc.
 Form 4
 May 23, 2008

FORM 4

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

OMB APPROVAL

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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 *
 Jones William L

(Last) (First) (Middle)

400 CAPITOL MALL, SUITE 2060

(Street)

SACRAMENTO,, CA 95814

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 Pacific Ethanol, Inc. [PEIX]

3. Date of Earliest Transaction
 (Month/Day/Year)
 05/22/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	(D)

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

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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	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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Securities (Instr. 3 and 4)
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Derivative Security	or Disposed of (D)		Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
	(1)	(2)								
Series B Cumulative Convertible Preferred Stock	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>						Common Stock	38,460
Common Stock Warrant (Right to Buy)	\$ 7						11/23/2008	05/22/2018	Common Stock	19,230

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Jones William L 400 CAPITOL MALL, SUITE 2060 SACRAMENTO,, CA 95814		X		

Signatures

/s/ William L.
Jones
05/22/2008

**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).
- On May 22, 2008, William L. Jones, acquired 12,820 shares of the issuer's Series B Cumulative Convertible Preferred Stock (the "Series B Preferred Stock") and a Warrant to purchase 19,230 shares of the issuer's Common Stock for an aggregate purchase price of \$250,000. Each share of Series B Preferred Stock is convertible at Mr. Jones's option into that number of shares of the issuer's Common Stock equal to:
- (1) (i) \$19.50, divided by (ii) the conversion price in effect at the time of conversion. The conversion price of the Series B Preferred Stock is currently fixed at \$6.50, but is subject to certain anti-dilution adjustments as set forth in the Certificate of Designations, Powers, Preferences and Rights of the Series B Preferred Stock (the "Certificate of Designations"); provided, that the anti-dilution adjustments set forth in the Certificate of Designations are subject to certain limitations as set forth in a related Securities Purchase Agreement.
 - (2) Using the current conversion price, Mr. Jones's 12,820 shares of Series B Preferred Stock are convertible into 38,460 shares of the issuer's Common Stock. Mr. Jones's right to convert the Series B Preferred Stock does not expire.
 - (3) The Series B Preferred Stock shall, upon the occurrence of certain events, automatically convert into Common Stock pursuant to the terms of the Certificate of Designations.

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.