Pacific Ethanol, Inc. Form 4 December 28, 2009

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

Check this box if no longer

subject to Section 16. Form 4 or

Form 5 obligations may continue. See Instruction

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(b).

(Last)

1. Name and Address of Reporting Person \* Lyles United, LLC

> (First) (Middle)

1210 W. OLIVE STREET

(Street)

FRESNO, CA 92728

2. Issuer Name and Ticker or Trading Symbol

Pacific Ethanol, Inc. [PEIX]

3. Date of Earliest Transaction

(Month/Day/Year) 12/23/2009

4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

**OMB APPROVAL** 

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

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

6. Individual or Joint/Group Filing(Check Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

6. Ownership

Form: Direct

(Instr. 4)

(D) or Indirect Beneficial

7. Nature of

Ownership

(9-02)

(Instr. 4)

Indirect

Person

5. Amount of

Securities

Beneficially

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

(City) (State) (Zip)

1.Title of

Security (Month/Day/Year) Execution Date, if (Instr. 3)

2. Transaction Date 2A. Deemed

Code (Month/Day/Year) (Instr. 8)

4. Securities TransactionAcquired (A) or Disposed of (D) (Instr. 3, 4 and 5)

Owned Following Reported (A) or Code V Amount (D) Price

Transaction(s) (Instr. 3 and 4)

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)

Conversion or Exercise

Price of

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if (Month/Day/Year)

5. Number of 4. TransactionDerivative Code Securities (Instr. 8) Acquired (A) or 6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount o **Underlying Securities** (Instr. 3 and 4)

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	Derivative Security				Disposed of (D) (Instr. 3, 4, and 5)					
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Series B Cumulative Convertible Preferred Stock	\$ 6.3316 (1) (2)	12/23/2009	S			1,538,462	(1)(2)	(1)(2)	Common Stock	4,738,

# **Reporting Owners**

Reporting Owner Name / Address	Relationships						
r g	Director	10% Owner	Officer	Other			
Lyles United, LLC 1210 W. OLIVE STREET FRESNO, CA 92728		X					
Signatures							

/s/ William M. Lyles, IV, Vice President

12/28/2009

\*\*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).
- Each share of Series B Cumulative Convertible Preferred Stock (the "Series B Stock") is convertible at the option of Lyles United, LLC ("Lyles") into that number of shares of the issuer's Common Stock equal to: (i) \$19.50, divided by (ii) the conversion price in effect at the time of conversion. The conversion price of the Series B Stock is currently fixed at \$6.3316226, but is subject to certain anti-dilution
- adjustments as set forth in the Certificate of Designations, Powers, Preferences and Rights of the Series B Stock (the "Certificate of Designations"). Using the current conversion price, Lyles' 512,820 shares of Series B Stock are convertible into 1,579,372 shares of the issuer's Common Stock. Lyles' right to convert the Series B Stock does not expire.
- (2) The Series B 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.

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