

STUART SANDI
Form 4
October 15, 2004

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 *
STUART SANDI

(Last) (First) (Middle)
6835 VALJEAN AVE
(Street)

VAN NUYS, CA 91406

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CHEROKEE INC [CHKE]

3. Date of Earliest Transaction (Month/Day/Year)
10/15/2004

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)
Executive Vice President

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 Indirect Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock						D	
Common Stock	10/15/2004	10/15/2004	M	5,581 A	\$ 12.989	D	
					31,085	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)

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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)	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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Common stock option	\$ 23.12					04/07/2005 04/07/2011	Common Stock 3,333
Common stock option	\$ 23.12					04/07/2006 04/07/2011	Common stock 3,333
Common stock option	\$ 23.12					04/07/2007 04/07/2011	Common stock 3,334
Common stock option	\$ 8.9					05/07/2004 05/07/2011	Common stock 3,334
Common stock option	\$ 12.989					02/05/2004 02/05/2012	Common stock 13,333
Common stock option	\$ 12.989					02/05/2005 02/05/2012	Common stock 13,334
Common stock option	\$ 12.989					02/05/2003 02/05/2012	Common stock 5,581
Common stock option	\$ 12.989	10/15/2004	10/15/2004	M	5,581	02/05/2003 02/05/2012	Common stock 5,581

Reporting Owners

Reporting Owner Name / Address	Relationships
STUART SANDI 6835 VALJEAN AVE	Director 10% Owner Officer Other Executive Vice President

VAN NUYS, CA 91406

Signatures

Russell J. Riopelle under POA for Sandi
Stuart

10/15/2004

 **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).

Remarks:

On 10/15/2004 Ms. Stuart exercised 5,581 stock options to purchase CHKE common stock at an exercise price of \$12.989 per

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

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