

Nawrocki Mark  
 Form 4  
 December 15, 2006

**FORM 4**

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

OMB APPROVAL

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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, 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 \*  
 Nawrocki Mark

(Last) (First) (Middle)  
 6835 VALJEAN AVENUE  
 (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)  
 12/11/2006

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)  
 Vice President - Marketing

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock					0	D	
Common Stock	12/11/2006	12/11/2006	M		8,000	A	\$ 33.98
Common Stock	12/11/2006	12/11/2006	S		2,952	D	\$ 42.544
Common Stock	12/12/2006	12/12/2006	S		5,048	D	\$ 42.619
					5,048	D	0

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

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(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 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
Employee Common Stock option	\$ 33.98					06/14/2006	06/13/2012	Common Stock	8,333
Employee Common Stock option	\$ 33.98					06/14/2007	06/13/2012	Common Stock	8,333
Employee Common Stock option	\$ 33.98					06/14/2008	06/13/2012	Common Stock	8,334
Employee Common Stock option	\$ 39.26					04/07/2007	04/06/2013	Common Stock	8,333
Employee Common Stock option	\$ 39.26					04/07/2008	04/06/2013	Common Stock	8,333
Employee Common Stock option	\$ 39.26					04/07/2009	04/06/2013	Common Stock	8,334
Employee Common Stock	\$ 33.98	12/11/2006	12/11/2006	M	8,000	06/14/2006	06/13/2012	Common Stock	8,000

Option

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Nawrocki Mark 6835 VALJEAN AVENUE VAN NUYS, CA 91406			Vice President - Marketing	

## Signatures

Russell J. Riopelle under POA for Mark Nawrocki	12/15/2006
<small>**Signature of Reporting Person</small>	<small>Date</small>

## 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 December 11, 2006 Mark Nawrocki exercised stock options to acquire 8,000 shares of common stock of Cherokee Inc. at a

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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