

CHEROKEE INC
Form 4
January 22, 2007

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 *
Sass Lawrence Marc

(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)
01/19/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
Senior Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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)
				(A) or (D)	Price		
Common stock	01/19/2007	01/19/2007	M	4,800 A	\$ 12.989	4,800	D
Common stock	01/19/2007	01/19/2007	M	66 A	\$ 23.12	4,866	D
Common stock	01/19/2007	01/19/2007	S	1,054 D	\$ 44.2	3,812	D
Common stock	01/22/2007	01/22/2007	S	3,812 D	\$ 44	0	D

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)	8. Amount or Number of Shares
						Date Exercisable	Expiration Date		
Common stock options	\$ 12.989					02/05/2005	02/05/2012	Common stock	4,800
Common stock options	\$ 23.12					04/07/2005	04/07/2011	Common stock	66
Common stock options	\$ 23.12					04/07/2006	04/07/2011	Common stock	1,667
Common stock options	\$ 23.12					04/07/2007	04/07/2011	Common stock	1,667
Common stock options	\$ 34.62					06/30/2006	06/30/2012	Common stock	3,333
Common stock options	\$ 34.62					06/30/2007	06/30/2012	Common Stock	3,333
Common stock options	\$ 34.62					06/30/2008	06/30/2012	Common Stock	3,334
Common stock options	\$ 39.26					04/07/2007	04/07/2013	Common Stock	833
Common stock	\$ 39.26					04/07/2008	04/07/2013	Common Stock	833

options										
Common stock options	\$ 39.26					04/07/2009	04/07/2013	Common Stock	834	
Common stock options	\$ 23.12	01/19/2007	01/19/2007	M	66	04/07/2005	04/07/2011	Common Stock	66	
Common stock options	\$ 12.989	01/19/2007	01/19/2007	M	4,800	02/05/2005	02/05/2012	Common Stock	4,800	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sass Lawrence Marc 6835 VALJEAN AVENUE VAN NUYS, CA 91406			Senior Vice President	

Signatures

Russell J. Riopelle under POA for Lawrence M. Sass 01/22/2007

__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 January 19, 2007 Mr. Sass exercised 4,800 stock options at an exercise price of \$12.989, and also exercised 66 stock options.

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.