

CHEROKEE INC
Form SC 13D/A
April 25, 2019

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 2)*

CHEROKEE INC

(Name of Issuer)

Common Stock, \$0.02 Par Value Per Share

(Title of Class of Securities)

16444H102

(CUSIP Number)

Merihan Tynan
Cove Street Capital LLC
2101 East El Segundo Boulevard, Suite 302
El Segundo, CA 90245
(424) 221-5897

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

April 25, 2019

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

* This Amendment No. 2 ("Amendment No. 2") amends and supplements the Schedule 13D originally filed on February 2, 2018, as amended and restated in its entirety by Amendment No. 1 filed on August 2, 2018 (as amended and restated, the "Schedule 13D"), by Cove Street Capital, LLC and Jeffrey Bronchick. Capitalized terms used herein but not defined herein shall have the meaning attributed to them in the Schedule 13D.

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1. NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Cove Street Capital, LLC I.R.S IDENTIFICATION NO 27-5376591

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (see instructions)

OO

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

7. SOLE VOTING POWER

0

NUMBER OF SHARES

8. SHARED VOTING POWER

BENEFICIALLY

3,626,307

OWNED BY

9. SOLE DISPOSITIVE POWER

EACH

REPORTING PERSON WITH

0

10. SHARED DISPOSITIVE POWER

4,264,709 (1)

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,264,709

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

26.14% (2)

14. TYPE OF REPORTING PERSON (see instructions)

IA

(1) The shared dispositive power includes 268,050 shares of a separately managed account, where CSC does not have any voting power over.

(2) The percentage was calculated based on 16,316,305 shares of Common Stock, as follows: (i) 15,945,953 shares of Common Stock outstanding as of April 12, 2019 as indicated by the issuer on the 10-K filing reported on April 23, 2019, plus (ii) 370,352 shares of Common Stock issuable upon exercise of warrants issued to Cove Street Capital and exercisable as of or within 60 days within the date this Statement is filed with the Commission.

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1. NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS
(ENTITIES ONLY)

Jeffrey Bronchick

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(see instructions)

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (see instructions)

PF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

UNITED STATES OF AMERICA

7. SOLE VOTING POWER

25,000

NUMBER OF
SHARES

8. SHARED VOTING POWER

BENEFICIALLY
OWNED BY
EACH

3,626,307

9. SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH

25,000

10. SHARED DISPOSITIVE POWER

4,264,709(1)

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,289,709

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
(see instructions)

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

26.29% (2)

14. TYPE OF REPORTING PERSON (see instructions)

IN

(1) The shared dispositive power includes 268,050 shares of a separately managed account, where CSC does not have any voting power over.

2) The percentage was calculated based on 16,316,305 shares of Common Stock, as follows: (i) 15,945,953 shares of Common Stock outstanding as of April 12, 2019 as indicated by the issuer on the 10-K filing reported on April 23, 2019, plus (ii) 370,352 shares of Common Stock issuable upon exercise of warrants issued to Cove Street Capital and exercisable as of or within 60 days within the date this Statement is filed with the Commission.

Item 1. Security and Issuer.

This Amendment No. 2 to Schedule 13D amends in its entirety the statement on Amendment No. 1 filed on August 3, 2018 which amends and restates (as amended and restated, the "Schedule 13D") in its entirety the statement on Schedule 13D filed on February 2, 2018 (the "original Schedule 13D") with the U.S. Securities and Exchange Commission (the "Commission") by Cove Street Capital, LLC and Jeffrey Bronchick with respect to the common stock, par value \$0.02 per share ("Common Stock"), of Cherokee Inc., a Delaware corporation (the "Issuer"). The address of the principal executive offices of the Issuer are located at 5990 Sepulveda Boulevard, Sherman Oaks, CA 91411.

Item 2. Identity and Background.

- a) This statement on Schedule 13D is being filed under the Securities Exchange Act of 1934 by Cove Street Capital, LLC, a Delaware limited liability company ("Cove Street Capital" or "CSC"), and Mr. Jeffrey Bronchick, an individual.
- b) The address of the principal office of each CSC and Mr. Bronchick is 2101 East El Segundo Boulevard, Suite 302, El Segundo, CA 90245.
- c) The principal business of CSC is to serve as the investment advisor to certain separately managed accounts. Mr. Bronchick is the Portfolio Manager and Founder of Cove Street Capital LLC.
- d) Neither CSC nor any of its members has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).
- e) Neither CSC nor any of its members was, during the last five years, a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was or is subject to a judgment, decree or final order (1) enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or (2) finding any violation with respect to such laws.
- f) CSC is a Delaware limited liability company. Mr. Bronchick is a citizen of the United States of America.

Item 3. Source or Amount of Funds or Other Consideration.

CSC, in its capacity as an investment adviser, expended an aggregate of approximately \$20,282,121 of its separately managed account clients' capital to acquire 3,894,357 of the shares of Common Stock held collectively held by the separately managed account clients were acquired pursuant to transactions and arrangements described below. No monies were borrowed for any such acquisitions.

Mr. Bronchick expended an aggregate of approximately \$73,631 to acquire the 25,000 shares of Common Stock held by him.

Item 4. Purpose of Transaction.

Item 4 is hereby amended and supplemented as follows:

The Reporting Persons are filing this Amendment No. 2 to report recent open-market sales of securities of the Issuer that have decreased the amount of Common Stock that the Reporting Person may be deemed to beneficially own by an amount greater than one percent of the outstanding Common Stock of the Issuer. The disposition of the securities of the Issuer by the Reporting Persons was an investment decision based upon the Reporting Persons' determination of several factors, including, without limitation, the market price for such securities.

The Reporting Persons may further purchase, hold, vote, trade, dispose or otherwise deal in the Common Stock at times, and in such manner, as they deem advisable to benefit from changes in market prices of such Common Stock, changes in the Issuer's operations, business strategy or prospects, or from sale or merger of the Issuer. To evaluate such alternatives, the Reporting Persons will routinely monitor the Issuer's operations, prospects, business development, management, competitive and strategic matters, capital structure, and prevailing market conditions, as well as alternative investment opportunities, liquidity requirements of the Reporting Persons and other investment considerations. Consistent with its investment research methods and evaluation criteria, the Reporting Persons may discuss such matters with management or directors of the Issuer, other shareholders, industry analysts, existing or potential strategic partners or competitors, investment and financing professionals, sources of credit and other investors. Such factors and discussions may materially affect, and result in, the Reporting Persons modifying their ownership of Common Stock, exchanging information with the Issuer pursuant to appropriate confidentiality or similar agreements, proposing changes in the Issuer's operations, governance, management or capitalization, or in proposing one or more of the other actions.

The Reporting Persons reserve the right to formulate other plans and/or make other proposals, and take such actions with respect to their investment in the Issuer, including any or all of the actions set forth in paragraphs (a) through (j) of Item 4 of Schedule 13D, or acquire additional Common Stock or dispose of all the Common Stock owned by them, in the public market or privately negotiated transactions. The Reporting Persons may at any time reconsider and change their plans or proposals relating to the foregoing.

Item 5. Interest in Securities of the Issuer.

The information contained on the cover pages to this Schedule 13D is incorporated herein by reference.

(a) As of the date of this Amendment No. 2, each of the Reporting Persons beneficially owns shares of Common Stock in such numbers as set forth on the cover pages of this Amendment No. 2. The total number of shares each of the Reporting Persons beneficially owns represents such percentages as set forth on the cover pages to this Amendment No. 2 of the Common Stock outstanding. The percentages used in this Schedule 13D are calculated based on 16,316,305 shares of Common Stock, as follows: (i) 15,945,953 shares of Common Stock outstanding as of April 12, 2019, as reported in the Annual Report on Form 10-K, filed with the SEC on April 23, 2019 by the Issuer; plus (ii) 370,352 shares of Common Stock issuable upon exercise of warrants issued to Cove Street Capital and exercisable as of or within 60 days within the date this Amendment No. 2 is filed with the Commission.

(b) None of the Reporting Persons has sole power to vote or direct the vote or sole power to dispose or direct the disposition of the Common Stock reported herein, except that Mr. Bronchick has sole voting and dispositive power with respect to 25,000 shares of Common Stock.

(c) During the past 60 days, the Reporting Persons engaged in the following transactions:

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Date of Transactions	Buy/Sells	Quantity	Conversion or Exercise Price of Derivative Security
3/15/2019	EXERCISE OF WARRANTS	1,245,000.00	\$ 0.50

Date of Transactions	Buy/Sells	Quantity	Amount	Unit Price
4/23/2019	Sell	13,282.00	\$ 9,366.27	0.71
4/24/2019	Sell	1,835.00	\$ 1,297.87	0.71

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Except as otherwise described in this Schedule 13D, there are no contracts, arrangements, understandings, or relationships (legal or otherwise) among CSC, or between any third party, with respect to any securities of the Issuer.

Item 7. Material to Be Filed as Exhibits.

N/A

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

COMPANY NAME

/s/ Merihan Tynan

Merihan Tynan

Chief Compliance Officer

Insert Title

April 25, 2019

Insert Date

Jeffrey Bronchick

/s/ Jeffrey Bronchick

Jeffrey Bronchick

April 25,2019

Insert Date