

RIOPELLE RUSSELL J
 Form 4
 December 23, 2008

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 *
 RIOPELLE RUSSELL J

(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)
 12/23/2008

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)
 Chief Financial Officer

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | | | | (A) or (D) Price | 15,504 | 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)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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 | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Common Stock Options | \$ 20.61 | | | | | 02/09/2005 02/09/2014 | | Common Stock | 1,918 |
| Common Stock Options | \$ 20.61 | | | | | 02/09/2006 02/09/2014 | | Common Stock | 1,918 |
| Common Stock Options | \$ 20.61 | | | | | 02/09/2007 02/09/2014 | | Common Stock | 1,918 |
| Common Stock Options | \$ 23.12 | | | | | 04/07/2005 04/07/2011 | | Common Stock | 9,896 |
| Common Stock Options | \$ 23.12 | | | | | 04/07/2006 04/07/2011 | | Common Stock | 9,897 |
| Common Stock Options | \$ 23.12 | | | | | 04/07/2007 04/07/2011 | | Common Stock | 9,897 |
| 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 | 5,214 |
| Common Stock Options | \$ 39.26 | | | | | 04/07/2008 04/07/2013 | | Common Stock | 5,215 |

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| | | | | | | | | | | |
|----------------------|----------|------------|------------|---|-------|--|------------|------------|--------------|-------|
| Common Stock Options | \$ 39.26 | | | | | | 04/07/2009 | 04/07/2013 | Common Stock | 5,215 |
| Common Stock Options | \$ 43.42 | | | | | | 03/29/2008 | 03/29/2014 | Common Stock | 3,333 |
| Common Stock Options | \$ 43.42 | | | | | | 03/29/2009 | 03/29/2014 | Common Stock | 3,333 |
| Common Stock Options | \$ 43.42 | | | | | | 03/29/2010 | 03/29/2014 | Common Stock | 3,334 |
| Common Stock Options | \$ 22.7 | | | | | | 08/21/2009 | 08/21/2015 | Common Stock | 3,333 |
| Common Stock Options | \$ 22.7 | | | | | | 08/21/2010 | 08/21/2015 | Common Stock | 3,333 |
| Common Stock Options | \$ 22.7 | | | | | | 08/21/2011 | 08/21/2015 | Common Stock | 3,334 |
| Common Stock Options | \$ 39.26 | 12/23/2008 | 12/23/2008 | J | 2,547 | | 04/07/2009 | 04/07/2013 | Common Stock | 0 |
| Common Stock Options | \$ 43.42 | 12/23/2008 | 12/23/2008 | J | 2,303 | | 03/29/2010 | 03/29/2014 | Common Stock | 0 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| RIOPELLE RUSSELL J 6835 VALJEAN AVENUE VAN NUYS, CA 91406 | | | Chief Financial Officer | |

Signatures

Russell J.
Riopelle

12/23/2008

**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 December 23, 2008, Mr. Riopelle voluntarily forfeited 2,547 previously granted ISO stock options with an exercise price of

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