

CHEROKEE INC
Form 4
May 26, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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)
05/26/2006

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)
Chief Financial Officer

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock					6,852	D	
Common Stock	05/26/2006	05/26/2006	M	4,852 A	\$ 20.61	11,704	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)	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	6,770	
Common Stock Options	\$ 20.61					02/09/2007 02/09/2014	Common Stock	6,770	
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	
	\$ 39.26					04/07/2008 04/07/2013		5,215	

Common Stock Options								Common Stock	
Common Stock Options	\$ 39.26					04/07/2009	04/07/2013	Common Stock	5,215
Common Stock Options	\$ 20.61	05/26/2006	05/26/2006	M	4,852	02/09/2006	02/09/2014	Common Stock	4,852

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

05/26/2006

**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 May 26, 2006 Mr. Riopelle exercised 4,852 stock options (all ISOs) at an exercise price of \$20.61 per share.

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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