

CHEROKEE INC
Form 8-K
October 30, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 27, 2017

CHEROKEE INC.

(Exact name of registrant as specified in its charter)

Delaware

1-18640

95-4182437

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S.
Employer
Identification
Number)

5990 Sepulveda Boulevard

Sherman Oaks, California 91411

(Address of principal executive offices) (Zip Code)

(818) 908-9868

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Information.

Extension of Forbearance. As previously disclosed, as of July 29, 2017, the end of the Company's most recently completed fiscal quarter, the Company was not in compliance with certain financial covenants set forth in its senior secured credit facility (the "Cerberus Credit Facility") with Cerberus Business Finance, LLC ("Cerberus"). The Company initially obtained a forbearance from Cerberus regarding these events of default on September 8, 2017, which was extended on September 15, 2017, September 29, 2017, October 13, 2017 and has now been further extended on October 27, 2017. Pursuant to the forbearance, as extended, Cerberus has agreed that it will not exercise its rights or remedies under the Cerberus Credit Facility solely with respect to these events of default through November 10, 2017. The Company is working with Cerberus to obtain a waiver of the events of default and/or amend certain terms of the Cerberus Credit Facility during the forbearance period. However, such a waiver or amendment may not be obtained, or if obtained, may not be obtained in a timely manner, during the forbearance period or on terms favorable to the Company. Any failure to obtain such a waiver or amendment within the forbearance period would subject the Company to significant risks, including Cerberus's right to terminate its obligations under the Cerberus Credit Facility, declare all or any portion of the borrowed amounts then outstanding to be accelerated and due and payable, and/or exercise any other rights or remedies it may have under applicable law, including foreclosing on the Company's and/or its subsidiaries assets that serve as collateral for the borrowed amounts.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Cherokee Inc.

Date: October 30, 2017 By: /s/ Jason Boling
Jason Boling
Chief Financial Officer