FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

| STATEMENT | OF CHANGES | S IN BENEFICIAL | . OWNERSHIP |
|------------------|------------|-----------------|-------------|

| OMB APPROVAL | | | | | | | | | |
|----------------------|-----------|--|--|--|--|--|--|--|--|
| OMB Number: | 3235-0287 | | | | | | | | |
| Estimated average bu | ırden | | | | | | | | |

0.5

hours per response:

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| Name and Address of Reporting Person* Clark William D | | | | 2. Issuer Name and Ticker or Trading Symbol Vanda Pharmaceuticals Inc. [VNDA] | | | | | (Che | eck all applic Directo | able) | erson(s) to Issu 10% Ov Other (s | vner | | |
|-------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------|---------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------|
| (Last) (First) (Middle) 9605 MEDICAL CENTER DRIVE SUITE 300 | | | 0 | 3. Date of Earliest Transaction (Month/Day/Year) 01/04/2008 | | | | | | | below) Sr. V | | | r | |
| (Street) | | ID | 20850 | 4. | . If Ame | endment, [| Oate of | f Original Fil | ed (Month/D | ay/Year) | Line |) <mark>X</mark> Form fi | ed by One Re | ing (Check App eporting Persor nan One Repor | 1 |
| (City) | (S | tate) | (Zip) | | | | | | | _ | | | | | |
| Date (Month | | | Transaction telescope (1994) | on /Year) e Sec | 2A. Deeme Execution if any (Month/Da | ed Date, ay/Year | 3. Transact Code (In: 8) Code | 4. Secu Disposi Maroun | rities Acquired Of (D) (In | ed (A) or str. 3, 4 and ! | 5. Amour Securitie Beneficia Owned F Reported Transacti (Instr. 3 a | s Fo Ily (D ollowing (I) on(s) | orm: Direct) or Indirect (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | |
| 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. Transa Code | action (Instr. | 5. Numbe Derivativ Securitie Acquired or Dispo of (D) (In: 3, 4 and 5 | er of e s s I (A) sed str. | 6. Date Exer Expiration D (Month/Day/ | eate Year) | 7. Title ar of Securi Underlyir | nd Amount ties ng e Security | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction((Instr. 4) | Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | Beneficial Ownership (Instr. 4) |
| Employee Stock Option (Right to Buy) | \$5.76 | 01/04/2008 | | A | | 120,000 | | (1) | 01/03/2018 | Common Stock | 120,000 | \$0.00 | 120,000 | D | |

Explanation of Responses:

1. The option vests each month with respect to 2.0833% of the aggregate option share total.

Remarks:

/s/ William D. Clark

01/08/2008

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

- * 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.