

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

1. Name and Address of Reporting Person* <u>Polymeropoulos Mihael Hristos</u>  (Last) (First) (Middle) 9605 MEDICAL CENTER DRIVE SUITE 300  (Street) ROCKVILLE MD 20850  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Vanda Pharmaceuticals Inc. [ VNDA ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Chief Executive Officer
	3. Date of Earliest Transaction (Month/Day/Year) 12/11/2006	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/11/2006		M		116,217	A	\$0.33	116,217	D	
Common Stock	12/11/2006		M		33,783	A	\$0.33	150,000	D	
Common Stock	12/11/2006		S		50,000	D	\$26.45	100,000	D	
Common Stock	12/11/2006		S		50,000	D	\$26	50,000	D	
Common Stock	12/11/2006		S		200	D	\$25.19	49,800	D	
Common Stock	12/11/2006		S		100	D	\$25.15	49,700	D	
Common Stock	12/11/2006		S		100	D	\$25.02	49,600	D	
Common Stock	12/11/2006		S		800	D	\$25.01	48,800	D	
Common Stock	12/11/2006		S		48,800	D	\$25	0	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee Stock Option (right to buy)	\$0.33	12/11/2006		M		116,217		(1)	05/05/2013	Common Stock	116,217	\$0.00	15,530	D	
Employee Stock Option (right to buy)	\$0.33	12/11/2006		M		33,783		(2)	02/10/2015	Common Stock	33,783	\$0.00	94,625	D	

**Explanation of Responses:**

- Exercisable with respect to 116,217 of the shares covered by the option immediately. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.
- Exercisable with respect to 58,853 of the shares covered by the option immediately. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.

**Remarks:**

/s/ Mihael H. Polymeropoulos 12/12/2006

\*\* 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.