

**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

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>RHO VENTURES IV LP</u>  (Last) (First) (Middle) <u>152 WEST 57TH STREET, 23RD FLOOR</u>  (Street) <u>NEW YORK NY 10019</u>  (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)  Director <input checked="" type="checkbox"/> 10% Owner  Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>11/06/2006</u>	
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	11/06/2006		J <sup>(1)</sup>		13,474	A	(1)	2,416,166	I	See Footnotes <sup>(2)</sup> (3)(4)(5)
Common Stock	11/06/2006		s		13,474	D	\$11.7874	2,402,692	I	See Footnotes <sup>(2)</sup> (3)(4)(6)

**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					

1. Name and Address of Reporting Person\*  
RHO VENTURES IV LP  
 (Last) (First) (Middle)  
152 WEST 57TH STREET, 23RD FLOOR  
 (Street)  
NEW YORK NY 10019  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
RHO VENTURES IV QP LP  
 (Last) (First) (Middle)  
152 WEST 57TH STREET, 23RD FLOOR  
 (Street)  
NEW YORK NY 10019  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
RHO VENTURES IV GMBH & CO  
BETEILIGUNGS KG  
 (Last) (First) (Middle)

152 WEST 57TH STREET, 23RD FLOOR

(Street)

NEW YORK NY 10019

(City)

(State)

(Zip)

1. Name and Address of Reporting Person\*

RHO CAPITAL PARTNERS VERWALTUNGS  
GMBH

(Last)

(First)

(Middle)

152 WEST 57TH STREET, 23RD FLOOR

(Street)

NEW YORK NY 10019

(City)

(State)

(Zip)

1. Name and Address of Reporting Person\*

RHO MANAGEMENT VENTURES IV LLC

(Last)

(First)

(Middle)

152 WEST 57TH STREET, 23RD FLOOR

(Street)

NEW YORK NY 10019

(City)

(State)

(Zip)

1. Name and Address of Reporting Person\*

RHO CAPITAL PARTNERS INC

(Last)

(First)

(Middle)

152 WEST 57TH STREET, 23RD FLOOR

(Street)

NEW YORK NY 10019

(City)

(State)

(Zip)

1. Name and Address of Reporting Person\*

RUCH JOSHUA

(Last)

(First)

(Middle)

152 WEST 57TH STREET, 23RD FLOOR

(Street)

NEW YORK NY 10019

(City)

(State)

(Zip)

1. Name and Address of Reporting Person\*

KAIROUZ HABIB

(Last)

(First)

(Middle)

152 WEST 57TH STREET, 23RD FLOOR

(Street)

NEW YORK NY 10019

(City)

(State)

(Zip)

1. Name and Address of Reporting Person\*

LESCHLY MARK

(Last)

(First)

(Middle)

C/O RHO CAPITAL PARTNERS, INC.

152 WEST 57TH STREET, 23RD FLOOR

(Street)		
NEW YORK	NY	10019
-----		
(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
<u>RHO MANAGEMENT TRUST I</u>		
-----		
(Last)	(First)	(Middle)
C/O RHO CAPITAL PARTNERS, INC.		
152 WEST 57TH STREET, 23RD FLOOR		
-----		
(Street)		
NEW YORK	NY	10019
-----		
(City)	(State)	(Zip)

**Explanation of Responses:**

- 13,474 shares received by Rho Management Trust I ("Trust I") in a pro rata distribution exempt under Rule 16a-9(a) from Prospect Venture Partners II, LP., of which Trust I is a limited partner.
- 300,841 shares are held of record by Rho Ventures IV, L.P. Rho Management Ventures IV, L.L.C. is the general partner of Rho Ventures IV, L.P. Rho Management Ventures IV, L.L.C. disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Rho Management Ventures IV, L.L.C. is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of its pecuniary interest therein. Mark Leschly, Habib Kairouz and Joshua Ruch are the managing members of Rho Management Ventures IV, L.L.C. Each of Mark Leschly, Habib Kairouz and Joshua Ruch disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that any of them is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of his pecuniary interest therein.
- 738,108 shares are held of record by Rho Ventures IV GmbH & Co. Beteiligungs KG. Rho Capital Partners Verwaltungs GmbH is the general partner of Rho Ventures IV GmbH & Co. Beteiligungs KG. Rho Capital Partners Verwaltungs GmbH disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Rho Capital Partners Verwaltungs GmbH is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of its pecuniary interest therein. Mark Leschly, Habib Kairouz and Joshua Ruch are the managing partners of Rho Capital Partners Verwaltungs GmbH. Each of Mark Leschly, Habib Kairouz and Joshua Ruch disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that any of them is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of his pecuniary interest therein.
- 708,258 shares are held of record by Rho Ventures IV (QP), L.P. Rho Management Ventures IV, L.L.C. is the general partner of Rho Ventures IV (QP), L.P. Rho Management Ventures IV, L.L.C. disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Rho Management Ventures IV, L.L.C. is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of its pecuniary interest therein. Mark Leschly, Habib Kairouz and Joshua Ruch are the managing members of Rho Management Ventures IV, L.L.C. Each of Mark Leschly, Habib Kairouz and Joshua Ruch disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that any of them is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of his pecuniary interest therein.
- 668,959 shares are held of record by Trust I. Rho Capital Partners, Inc. is the investment advisor to Trust I. Rho Capital Partners, Inc. disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Rho Capital Partners, Inc. is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of its pecuniary interest therein. Mark Leschly, Habib Kairouz and Joshua Ruch are the managing directors of Rho Capital Partners, Inc. Each of Mark Leschly, Habib Kairouz and Joshua Ruch disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that any of them is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of his pecuniary interest therein.
- 655,485 shares are held of record by Trust I. Rho Capital Partners, Inc. is the investment advisor to Trust I. Rho Capital Partners, Inc. disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Rho Capital Partners, Inc. is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of its pecuniary interest therein. Mark Leschly, Habib Kairouz and Joshua Ruch are the managing directors of Rho Capital Partners, Inc. Each of Mark Leschly, Habib Kairouz and Joshua Ruch disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that any of them is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of his pecuniary interest therein.

<a href="#"><u>/s/ Jeff I. Martin Attorney-In-Fact</u></a>	<a href="#"><u>11/06/2006</u></a>
<a href="#"><u>/s/ Jeffrey I. Martin Attorney in Fact</u></a>	<a href="#"><u>11/06/2006</u></a>
<a href="#"><u>/s/ Jeffrey Martin Attorney In-fact</u></a>	<a href="#"><u>11/06/2006</u></a>
<a href="#"><u>/s/ Jeffrey I Martin Attorney in Fact</u></a>	<a href="#"><u>11/06/2006</u></a>
<a href="#"><u>/s/ Jeff I. Martin Attorney-In-Fact</u></a>	<a href="#"><u>11/06/2006</u></a>
<a href="#"><u>/s/ Jeff I. Martin Attorney In-Fact</u></a>	<a href="#"><u>11/06/2006</u></a>
<a href="#"><u>s/ Jeffrey I. Martin Attorney-In-Fact</u></a>	<a href="#"><u>11/06/2006</u></a>
<a href="#"><u>/s/ Habib Kairouz</u></a>	<a href="#"><u>11/06/2006</u></a>
<a href="#"><u>/s/ Mark Leschly</u></a>	<a href="#"><u>11/06/2006</u></a>
<a href="#"><u>/s/ Jeffrey I. Martin</u></a>	<a href="#"><u>11/06/2006</u></a>

\*\* 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.**