FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

| ı | OMB APPRO | JVAL |
|---|------------------------|-----------|
| | OMB Number: | 3235-0287 |
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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* Williams Timothy | | | | | 2. Issuer Name and Ticker or Trading Symbol Vanda Pharmaceuticals Inc. [VNDA] | | | | | | | | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner X Officer (give title Other (specify | | | | |
|---|--|--|---|----------------------------|---|--|----------|-----------|---|----------------|-------------------|---|--|---|--|--|-----------|--|
| (Last) (First) (Middle) C/O VANDA PHARMACEUTICALS INC. 2200 PENNSYLVANIA AVENUE, SUITE 300E | | | | 02 | 3. Date of Earliest Transaction (Month/Day/Year) 02/26/2020 | | | | | | | | | /P & Ger | | below) Counsel | | |
| (Street) WASHINGTON DC 20037 (City) (State) (Zip) | | | | _ 4.1 | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | | | | Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person | | | | | |
| (City) | (5 | - | | -Deriv | vativ | e Se | curities | <u></u> | nuired | Disi | nosed o | of or Be | neficial | v Owner | | | | |
| 1. Title of Security (Instr. 3) 2. Transa Date (Month/D | | | saction | 2A. Deemed Execution Date, | | Quired, Disposed of, or Benefic 3. Transaction Code (Instr. 8) 4. Securities Acquired (A) Disposed Of (D) (Instr. 3, 4) 5) | | ed (A) or | 5. Amou Securitie Benefici Owned F | nt of 6. es Fo | Form (D) o | orm: Direct D) or Indirect I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership | | | | | |
| | | | | | | | Code | v | Amount | nt (A) or P | | Transact | Reported Transaction(s) (Instr. 3 and 4) | | | (Instr. 4) | | |
| Common Stock 02/26 | | | | 6/202 | /2020 | | A | | 30,00 | 30,000 A | | 87,425 | | | 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) | ate, | 4. Transaction Code (Instr. 8) | | | | 6. Date Exercisa Expiration Date (Month/Day/Yea | | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number derivative Securities Beneficiall Owned Following Reported Transactio (Instr. 4) | Ownersh Form: Direct (D or Indirec (I) (Instr. | Ownership | Beneficial Ownership tt (Instr. 4) |
| | | | | | Code | v | (A) | (D) | Date Exercisal | | xpiration vate | Title | Amount or Number of Shares | | | | | |
| Employee Stock Option (Right to Buy) | \$11.32 | 02/26/2020 | | | A | | 70,000 | | (2) | O | 2/25/2030 | Common Stock | 70,000 | \$0.00 | 70,00 | 0 | D | |

Explanation of Responses:

- 1. Represents shares of common stock underlying a time-based restricted stock unit award ("RSU"). The RSU vests in four (4) equal annual installments with the first annual vest taking place on March 1, 2021, provided the Reporting Person remains continuously employed by the Issuer through each annual vesting date. Vested shares will be delivered on the First Permissible Trading Day (as defined in the RSU Agreement) that occurs on or after the day when the RSUs vest.
- 2. The option vests with respect to 25% of the underlying shares on February 26, 2021, with the balance vesting in equal monthly installments over the next 36 months of continuous service thereafter, provided the Reporting Person provides continuous service to the Issuer through the applicable vesting date.

Remarks:

/s/ Timothy Williams

02/28/2020

** 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.