FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| OMB APPROVAL            |           |  |  |  |  |  |  |  |
|-------------------------|-----------|--|--|--|--|--|--|--|
| OMB Number:             | 3235-0287 |  |  |  |  |  |  |  |
| Estimated average burde | en        |  |  |  |  |  |  |  |
| hours per response:     | 0.5       |  |  |  |  |  |  |  |

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*     Watkins Thomas   |                  |  |  |          |   | 2. Issuer Name <b>and</b> Ticker or Trading Symbol  Vanda Pharmaceuticals Inc. [ VNDA ] |      |  |                    |   |  | 5. Relationship of Reporting Person(s) to (Check all applicable)  X Director 109  |  |    | on(s) to Issi<br>10% Ow  |   |
|--|------------------|--|--|----------|---|---|------|--|--------------------|---|--|---|--|----|--|---|
| (Last) (First) (Middle) 14200 SHADY GROVE ROAD   |                  |  |  |          | 3. Date of Earliest Transaction (Month/Day/Year) 06/20/2013 |   |      |  |                    |   |  | Officer<br>below)   | (give title  |    | Other (s<br>below)   | pecify  |
| (Street) ROCKV   | CKVILLE MD 20850 |  |  |          |   | 4. If Amendment, Date of Original Filed (Month/Day/Year)                                |      |  |                    |   | Line                                   | Individual or Joint/Group Filing (Check Applicable ne)  X Form filed by One Reporting Person Form filed by More than One Reporting Person |  |    |  |   |
|  |                  | Tab  | le I - Non-D   | Derivati | ve Se   | curities  | s Ac | quired, Di   | isposed (          | of, or Be   | neficial                               | ly Owned  |  |    |  |   |
| 1. Title of Security (Instr. 3)  2. Transac Date (Month/Date)  |                  |  |  |          | Execution Date,   |   |      | Code (Instr. 5)  |                    |   |  | Beneficia   | es Formally (D) Following (I) (I   |    | Direct Indirect Istr. 4)   | 7. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|  |                  |  |  |          |   |   |      | Code V   | Amount             | (A) or<br>(D)   | Price                                  | Transact  | Transaction(s)<br>(Instr. 3 and 4)   |    |  | ,5 4)   |
| Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) |                  |  |  |          |   |   |      |  |                    |   |  |   |  |    |  |   |
| Derivative   Conversion   D  |                  | nversion   Date   Execution   Execution   Execution   if any   (Month/Day/Year)   (Month/Day/Year)   ivative   Execution   if any   (Month/Day/Year)   ivative   Execution   if any   ivative   Execution   if any   ivative   Execution   if any   ivative   ivative   Execution   if any   ivative   i | 3A. Deemed<br>Execution Dat<br>if any<br>(Month/Day/Ye | Cod      | saction<br>e (Instr.  |   |      | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |                    | 7. Title and Amount<br>of Securities<br>Underlying<br>Derivative Security<br>(Instr. 3 and 4) |  | 8. Price of<br>Derivative<br>Security<br>(Instr. 5)   | 9. Number<br>derivative<br>Securities<br>Beneficiall<br>Owned<br>Following<br>Reported<br>Transactio<br>(Instr. 4) | ly | 10.<br>Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I) (Instr. 4) | Beneficial<br>Ownership<br>(Instr. 4)                             |
|  |                  |  |  | Cod      | e V   | (A)   | (D)  | Date<br>Exercisable  | Expiration<br>Date | Title   | Amount<br>or<br>Number<br>of<br>Shares |   |  |    |  |   |
| Stock<br>Option<br>(Right to<br>Buy) <sup>(1)</sup>  | \$8.39           | 06/20/2013   |  | A        |   | 15,000  |      | (2)  | 06/19/2023         | Common<br>Stock   | 15,000                                 | \$0.00  | 15,000   | )  | D  |   |

## **Explanation of Responses:**

- 1. Option granted upon conclusion of annual meeting of stockholders pursuant to the provisions of the Issuer's 2006 Equity Incentive Plan providing for annual option grants for outside directors.
- 2. Exercisable in equal monthly installments over 12 months starting one month after the grant date, provided the Reporting Person provides continuous service to the Issuer through the applicable vesting date.

## Remarks:

/s/ H. Thomas Watkins 06/24/2013

\*\* 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.