

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	
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1. Name and Address of Reporting Person * <u>Kelly James Patrick</u> (Last) (First) (Middle) 2200 PENNSYLVANIA AVENUE SUITE 300E (Street) WASHINGTON DC 20037 (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 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>SVP, CFO, Sec & Treasurer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>12/07/2012</u>	

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			

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
Employee Stock Option (Right to Buy)	\$3.12	12/07/2012		A		56,250		(1)	12/06/2022	Common Stock	56,250	\$0.00	56,250	D	
Restricted Stock Unit	(2)	12/07/2012		A		18,750		(3)	(4)	Common Stock	18,750	\$0.00	18,750	D	

Explanation of Responses:

- 50% of the shares subject to this option shall vest in 48 equal monthly installments beginning January 7, 2013 (the "Initial Vesting Date"), provided Reporting Person remains continuously employed by the Issuer through the Initial Vesting Date. 50% of the shares subject to this option shall vest upon acceptance by the U.S. Food and Drug Administration of the Issuer's New Drug Application Filing for tasimelteon for the treatment of Non-24-Hour Disorder (the "Vesting Event"), provided Reporting Person remains continuously employed by the Issuer through the Vesting Event.
- Each Restricted Stock Unit ("RSU") represents a contingent right to receive a share of the Issuer's common stock.
- 50% of the RSUs shall vest in four equal annual installments beginning January 1, 2014. 50% of the RSUs shall vest upon the Vesting Event, provided Reporting Person remains continuously employed by the Issuer through the Vesting Event. 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.
- Not Applicable.

Remarks:

/s/ James Patrick Kelly 12/11/2012
 ** 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.