

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>EVP & Chief Financial Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) 01/02/2018	
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	01/02/2018		M ⁽¹⁾		5,000	A	(2)	144,721	D	
Common Stock	01/02/2018		M ⁽³⁾		5,000	A	(2)	154,721 ⁽⁴⁾	D	
Common Stock	01/02/2018		M ⁽⁵⁾		7,500	A	(2)	177,221 ⁽⁴⁾	D	
Common Stock	01/02/2018		s ⁽⁶⁾		9,155	D	\$15.3461 ⁽⁷⁾	168,066	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					
Restricted Stock Unit	(2)	01/02/2018		M		5,000	(8)	(9)	Common Stock	5,000	\$0.00	0	D	
Restricted Stock Unit	(2)	01/02/2018		M		5,000	(10)	(9)	Common Stock	5,000	\$0.00	5,000	D	
Restricted Stock Unit	(2)	01/02/2018		M		7,500	(11)	(9)	Common Stock	7,500	\$0.00	15,000	D	

Explanation of Responses:

- Each Restricted Stock Unit ("RSU") was previously reported on Table II on a Form 4 filed with the Securities and Exchange Commission ("SEC") on December 4, 2013.
- Each RSU represents a contingent right to receive a share of the Issuer's Common Stock.
- Each RSU was previously reported on Table II on a Form 4 filed with the SEC on December 5, 2014.
- Starting with the January 2, 2018 vesting of the RSUs, the Issuer's method of reporting RSUs has been revised to report such grants in Table I rather than as previously reported in Table II. Accordingly, the share numbers reported in Column 5 of Table I includes unvested RSUs previously reported in Table II.
- Each RSU was previously reported on Table II on a Form 4 filed with the SEC on February 17, 2016.
- Represents shares of the Issuer's common stock sold to satisfy tax obligations relating to the acquisition of shares of the Issuer's common stock in connection with the settlement of the vested portion of RSUs as reflected in this Form 4. Such sale was executed pursuant to an irrevocable election made by the Reporting Person during an open trading window under a program approved by the Compensation Committee of the Issuer's Board of Directors.
- The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$15.30 to \$15.40, inclusive. The Reporting Person undertakes to provide to the Issuer, any security holder of the Issuer or the staff of the Securities Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote (7) to this Form 4.
- The RSUs vest in four (4) equal annual installments beginning January 1, 2015, provided 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.
- Not Applicable.
- The RSUs vest in four (4) equal annual installments beginning January 1, 2016, provided 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.
- The RSUs vest in four (4) equal annual installments beginning January 1, 2017, provided 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.

Remarks:

/s/ James Patrick Kelly 01/04/2018
 ** Signature of Reporting Person Date

* 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.

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