

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
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1. Name and Address of Reporting Person* SHALLCROSS STEVEN A			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 below) Other (specify below) Sr. VP, CFO, Treasurer		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/16/2007			6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person		
9605 MEDICAL CENTER DRIVE, SUITE 300			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street) ROCKVILLE MD 20850								
(City) (State) (Zip)								

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	01/16/2007 ⁽¹⁾		M		3,300	A	\$0.8274	3,300	D	
Common Stock	01/16/2007 ⁽¹⁾		S		400	D	\$25.63	2,900	D	
Common Stock	01/16/2007 ⁽¹⁾		S		100	D	\$25.45	2,800	D	
Common Stock	01/16/2007 ⁽¹⁾		S		100	D	\$25.63	2,700	D	
Common Stock	11/16/2007 ⁽¹⁾		S		100	D	\$25.6	2,600	D	
Common Stock	01/16/2007 ⁽¹⁾		S		100	D	\$25.35	2,500	D	
Common Stock	01/16/2007 ⁽¹⁾		S		100	D	\$25.45	2,400	D	
Common Stock	01/16/2007 ⁽¹⁾		S		100	D	\$25.37	2,300	D	
Common Stock	01/16/2007 ⁽¹⁾		S		140	D	\$25.6	2,160	D	
Common Stock	01/16/2007 ⁽¹⁾		S		600	D	\$25.31	1,560	D	
Common Stock	01/16/2007 ⁽¹⁾		S		300	D	\$25.2	1,260	D	
Common Stock	01/16/2007 ⁽¹⁾		S		460	D	\$25.11	800	D	
Common Stock	01/16/2007 ⁽¹⁾		S		100	D	\$25.59	700	D	
Common Stock	01/16/2007 ⁽¹⁾		S		700	D	\$25.2	0	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						Title
Non-Qualified Stock Option (Right to Buy)	\$0.8274	01/16/2007		M			3,300	(2)	11/14/2015	Common Stock	3,300	\$0.00	69,787	D	

Explanation of Responses:

- Transaction was administered pursuant to an authorized 10b5-1 plan.
- Exercisable with respect to 25% of the shares one year after the grant, exercisable with respect to an additional 2.08333% of the shares each month thereafter.

Remarks:

/s/ Steven A. Shallcross

01/18/2007

** 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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