

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
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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* <u>KARABELAS ARGERIS N</u> (Last) (First) (Middle) 47 HULFISH STREET SUITE 310 (Street) PRINCETON NJ 08542 (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) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: center;">Chairman of the Board</p>
	3. Date of Earliest Transaction (Month/Day/Year) 04/18/2006	
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	04/18/2006		C		1,442,552 ⁽³⁾	A	(1)	1,444,002 ⁽³⁾	I	See Footnote ⁽⁶⁾
Common Stock	04/18/2006		C		98,949 ⁽³⁾	A	(1)	99,039 ⁽³⁾	I	See Footnote ⁽⁷⁾
Common Stock	04/18/2006		C		1,938,203 ⁽³⁾	A	(2)	3,382,205 ⁽³⁾	I	See Footnote ⁽⁶⁾
Common Stock	04/18/2006		C		132,961 ⁽³⁾	A	(2)	232,000 ⁽³⁾	I	See Footnote ⁽⁷⁾

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	Amount or Number of Shares				
Series A Preferred Stock	(1)	04/18/2006		C		4,774,500		(4)	(5)	Common Stock	1,442,552 ⁽³⁾	(1)	0	I	See Footnote ⁽⁶⁾
Series A Preferred Stock	(1)	04/18/2006		C		327,500		(4)	(5)	Common Stock	98,949 ⁽³⁾	(1)	0	I	See Footnote ⁽⁷⁾
Series B Preferred Stock	(2)	04/18/2006		C		6,414,986		(4)	(5)	Common Stock	1,938,203 ⁽³⁾	(2)	0	I	See Footnote ⁽⁶⁾
Series B Preferred Stock	(2)	04/18/2006		C		440,073		(4)	(5)	Common Stock	132,961 ⁽³⁾	(2)	0	I	See Footnote ⁽⁷⁾

Explanation of Responses:

- Reflects the automatic conversion of each share of Series A Preferred Stock into one share of Common Stock upon the close of business of the day immediately preceding the closing of the issuer's initial public offering.
- Reflects the automatic conversion of each share of Series B Preferred Stock into one share of Common Stock upon the close of business of the day immediately preceding the closing of the issuer's initial public offering.
- Reflects a 1-for-3.309755 reverse stock split to occur immediately following the effectiveness of the registration statement covering the issuer's initial public offering.
- Immediately.
- Not applicable.
- The reportable securities are owned directly by Care Capital Investments II, L.P. and indirectly by Care Capital II, LLC as general partner of Care Capital Investments II, L.P. The reporting person is a managing member of Care Capital II, LLC. The reporting person disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that he is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of his pecuniary interest therein.
- The reportable securities are owned directly by Care Capital Offshore Investments II, L.P. and indirectly by Care Capital II, LLC as general partner of Care Capital Offshore Investments II, L.P. The reporting person is a managing member of Care Capital II, LLC. The reporting person disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that he is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of his pecuniary interest therein.

/s/ Argeris N. Karabelas,
Authorized Signatory

04/18/2006

** 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.

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