

**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 * <u>Clark William D</u>  (Last) (First) (Middle) 9605 MEDICAL CENTER DRIVE SUITE 300  (Street) ROCKVILLE MD 20850  (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>Sr VP, Chief Business Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>11/07/2006</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

**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	11/07/2006		M		400	A	\$0.33	400	D	
Common Stock	11/07/2006		S		200	D	\$11.5	200	D	
Common Stock	11/07/2006		S		200	D	\$11.61	0	D	
Common Stock	11/08/2006		M		18,600	A	\$0.33	18,600	D	
Common Stock	11/08/2006		S		3,202	D	\$11	15,398	D	
Common Stock	11/08/2006		S		700	D	\$11.02	14,698	D	
Common Stock	11/08/2006		S		99	D	\$11.03	14,599	D	
Common Stock	11/08/2006		S		200	D	\$11.04	14,399	D	
Common Stock	11/08/2006		S		700	D	\$11.05	13,699	D	
Common Stock	11/08/2006		S		400	D	\$11.07	13,299	D	
Common Stock	11/08/2006		S		400	D	\$11.08	12,899	D	
Common Stock	11/08/2006		S		300	D	\$11.1	12,599	D	
Common Stock	11/08/2006		S		199	D	\$11.13	12,400	D	
Common Stock	11/08/2006		S		935	D	\$11.15	11,465	D	
Common Stock	11/08/2006		S		300	D	\$11.16	11,165	D	
Common Stock	11/08/2006		S		99	D	\$11.18	11,066	D	
Common Stock	11/08/2006		S		200	D	\$11.19	10,866	D	
Common Stock	11/08/2006		S		102	D	\$11.2	10,764	D	
Common Stock	11/08/2006		S		200	D	\$11.21	10,564	D	
Common Stock	11/08/2006		S		100	D	\$11.22	10,464	D	
Common Stock	11/08/2006		S		680	D	\$11.23	9,784	D	
Common Stock	11/08/2006		S		299	D	\$11.24	9,485	D	
Common Stock	11/08/2006		S		1,120	D	\$11.25	8,365	D	
Common Stock	11/08/2006		S		380	D	\$11.26	7,985	D	
Common Stock	11/08/2006		S		700	D	\$11.3	7,285	D	
Common Stock	11/08/2006		S		100	D	\$11.33	7,185	D	
Common Stock	11/08/2006		S		300	D	\$11.34	6,885	D	
Common Stock	11/08/2006		S		286	D	\$11.35	6,599	D	
Common Stock	11/08/2006		S		200	D	\$11.36	6,399	D	

**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	11/08/2006		S		99	D	\$11.39	6,300	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
Employee Stock Option (right to buy)	\$0.33	11/07/2006		M			400	(1)	09/01/2014	Common Stock	400	\$0	91,268	D	
Employee Stock Option (right to buy)	\$0.33	11/08/2006		M			18,600	(1)	09/01/2014	Common Stock	18,600	\$0	72,668	D	

**Explanation of Responses:**

1. Exercisable with respect to 49,653 of the shares covered by the option immediately. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.

/s/ William D. Clark                      11/08/2006

\*\* 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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