

**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
Estimated average burden hours per response:	0.5

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) 12/14/2009	
	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	12/14/2009		M		36,444	A	\$0.331	111,444	D	
Common Stock	12/14/2009		M		8,424	A	\$0.331	119,868	D	
Common Stock	12/14/2009		M		45,141	A	\$0.331	165,009	D	
Common Stock	12/14/2009		M		57,766	A	\$0.331	222,775	D	
Common Stock	12/14/2009		M		147,775	A	\$0.331	370,550	D	
Common Stock	12/14/2009		S		217,749 <sup>(1)</sup>	D	\$11.0514 <sup>(1)</sup>	152,801	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	Amount or Number of Shares				
Employee Stock Option (right to buy)	\$0.331	12/14/2009		M		36,444		(2)	09/01/2014	Common Stock	36,444	\$0.00	8,424	D	
Employee Stock Option (right to buy)	\$0.331	12/14/2009		M		8,424		(2)	09/01/2014	Common Stock	8,424	\$0.00	0	D	
Employee Stock Option (right to buy)	\$0.331	12/14/2009		M		45,141		(3)	02/10/2015	Common Stock	45,141	\$0.00	0	D	
Employee Stock Option (right to buy)	\$0.331	12/14/2009		M		57,766		(4)	09/28/2015	Common Stock	57,766	\$0.00	147,775	D	
Employee Stock Option (right to buy)	\$0.331	12/14/2009		M		147,775		(4)	09/28/2015	Common Stock	147,775	\$0.00	0	D	

**Explanation of Responses:**

- This transaction was executed in multiple trades at prices ranging from \$11.00 to \$11.28. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.
- The option represents a right to purchase a total of 91,668 shares. As of December 14, 2009 these shares were fully vested.
- The option represents a right to purchase a total of 48,341 shares. As of December 14, 2009 these shares were fully vested.
- The option represents a right to purchase a total of 205,541 shares. As of December 14, 2009 these shares were fully vested.

**Remarks:**

/s/ William D. Clark

12/16/2009

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.**