

Clark William D
Form 4
December 16, 2009

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Clark William D

(Last) (First) (Middle)
9605 MEDICAL CENTER
DRIVE, SUITE 300

(Street)

ROCKVILLE, MD 20850

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Vanda Pharmaceuticals Inc. [VNDA]

3. Date of Earliest Transaction
(Month/Day/Year)
12/14/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. VP, Chief Business Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ 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 | 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 |

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| | | | | | | | | |
|--------------|------------|--|---|-----------------------|---|-----------------------------|---------|---|
| Common Stock | 12/14/2009 | | S | <u>217,749</u> (1) | D | \$ <u>11.0514</u> (1) | 152,801 | D |
|--------------|------------|--|---|-----------------------|---|-----------------------------|---------|---|

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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 control number.

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(9-02)

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 Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number Shares |
| Employee Stock Option (right to buy) | \$ 0.331 | 12/14/2009 | | M | 36,444 | <u>(2)</u> 09/01/2014 | Common Stock 36,444 |
| Employee Stock Option (right to buy) | \$ 0.331 | 12/14/2009 | | M | 8,424 | <u>(2)</u> 09/01/2014 | Common Stock 8,424 |
| Employee Stock Option (right to buy) | \$ 0.331 | 12/14/2009 | | M | 45,141 | <u>(3)</u> 02/10/2015 | Common Stock 45,141 |
| Employee Stock Option (right to buy) | \$ 0.331 | 12/14/2009 | | M | 57,766 | <u>(4)</u> 09/28/2015 | Common Stock 57,766 |
| Employee Stock Option (right to buy) | \$ 0.331 | 12/14/2009 | | M | 147,775 | <u>(4)</u> 09/28/2015 | Common Stock 147,775 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Clark William D 9605 MEDICAL CENTER DRIVE SUITE 300 ROCKVILLE, MD 20850 | | | Sr. VP, Chief Business Officer | |

Signatures

/s/ William D.

Clark

12/16/2009

**Signature of
Reporting Person

Date

Explanation of Responses:

* 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).

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.

(2) The option represents a right to purchase a total of 91,668 shares. As of December 14, 2009 these shares were fully vested.

(3) The option represents a right to purchase a total of 48,341 shares. As of December 14, 2009 these shares were fully vested.

(4) The option represents a right to purchase a total of 205,541 shares. As of December 14, 2009 these shares were fully vested.

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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