

Vanda Pharmaceuticals Inc.
 Form 3
 April 12, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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. Date of Event Requiring Statement

(Month/Day/Year)
 04/12/2006

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

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

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 Beneficially Owned

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

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

SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)

6. Nature of Indirect Beneficial Ownership (Instr. 5)

Date Exercisable Date Expiration Date

Title Amount or Number of Shares

(Instr. 5)

| | | | | | | | |
|--|-------|------------|--------------|-------------|-------------|---|---|
| Nonqualified Stock Option (Right to Buy) | Â (1) | 09/01/2014 | Common Stock | 91,668 (5) | \$ 0.33 (6) | D | Â |
| Nonqualified Stock Option (Right to Buy) | Â (2) | 02/10/2015 | Common Stock | 48,341 (5) | \$ 0.33 (6) | D | Â |
| Nonqualified Stock Option (Right to Buy) | Â (3) | 09/28/2015 | Common Stock | 205,541 (5) | \$ 0.33 (6) | D | Â |
| Nonqualified Stock Option (Right to Buy) | Â (4) | 12/29/2015 | Common Stock | 39,907 (5) | \$ 4.73 (6) | D | Â |

Reporting Owners

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

Signatures

/s/ William D. Clark
04/12/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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).
- (1) Exercisable immediately with respect to 36,285 shares. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.
- (2) Exercisable immediately with respect to 14,099 shares. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.
- (3) Exercisable with respect to 25% of the shares on 9/28/06. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.
- (4) Exercisable with respect to 25% of the shares on 12/29/06. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.
- (5) 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.
- (6) Reflects the converted exercise price of each option share pursuant to the 1-for-3.309755 reverse stock split to occur immediately following the effectiveness of the registration statement covering the issuer's initial public offering.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.