

TANG KEVIN C  
Form 4  
October 15, 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 \*  
TANG KEVIN C

(Last) (First) (Middle)  
4401 EASTGATE MALL  
(Street)  
SAN DIEGO, CA 92121

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
10/13/2009

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |  |
| Common Stock                    | 10/13/2009                           |  | S                              | 542,072 D \$ 12.7637  | 3,123,780   | I (1)  | By LP (1)                                  |
| Common Stock                    | 10/15/2009                           |  | S                              | 57,928 D \$ 11.804  | 3,065,852   | I (1)  | By LP (1)                                  |

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.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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| 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 |
| Call Options (obligations to sell)         | \$ 15  | 10/13/2009                           |  | S                              | 3,000   | 10/13/2009   | 01/16/2010  | Common Stock | 300,000              |
| Call Options (obligations to sell)         | \$ 12.5  | 10/13/2009                           |  | S                              | 3,000   | 10/13/2009   | 01/16/2010  | Common Stock | 300,000              |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| TANG KEVIN C<br>4401 EASTGATE MALL<br>SAN DIEGO, CA 92121                |               | X         |         |       |
| TANG CAPITAL MANAGEMENT LLC<br>4401 EASTGATE MALL<br>SAN DIEGO, CA 92121 |               | X         |         |       |
| TANG CAPITAL PARTNERS LP<br>4401 EASTGATE MALL<br>SAN DIEGO, CA 92121    |               | X         |         |       |

## Signatures

|  |            |
|--|------------|
| /s/ Kevin C. Tang  | 10/15/2009 |
| **Signature of Reporting Person  | Date       |
| /s/ Kevin C. Tang, Managing Member   | 10/15/2009 |
| **Signature of Reporting Person  | Date       |
| /s/ Kevin C. Tang, as Managing Member of Tang Capital Management, LLC, General Partner | 10/15/2009 |
| **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).
- (1) The securities are held by Tang Capital Partners, LP. Kevin C. Tang is the sole manager of Tang Capital Management, LLC, which is the general partner of Tang Capital Partners, LP. Mr. Tang disclaims beneficial ownership of the securities except to the extent of his

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pecuniary interest therein.

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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