

Vanda Pharmaceuticals Inc.
Form 4
April 18, 2006

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 *
CARE CAPITAL II LLC

(Last) (First) (Middle)

47 HULFISH STREET, SUITE 310

(Street)

PRINCETON, NJ 08542

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Vanda Pharmaceuticals Inc. [VNDA]

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

04/18/2006

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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 04/18/2006 | | C | 1,442,552 (3) A (1) | 1,444,002 (3) | I | See Footnote (6) |
| Common Stock | 04/18/2006 | | C | 98,949 (3) A (1) | 99,039 (3) | I | See Footnote (7) |
| Common Stock | 04/18/2006 | | C | 1,938,203 (3) A (2) | 3,382,205 (3) | I | See Footnote (6) |
| Common Stock | 04/18/2006 | | C | 132,961 (3) A (2) | 232,000 (3) | I | See Footnote (7) |

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

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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 | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|------------------------------------|-----------------|--|-----------------|---|----------------------------|
| | | | | | Acquired (A) | Disposed of (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Series A Preferred Stock | (1) | 04/18/2006 | | C | 4,774,500 | | (4) | (5) | Common Stock | 1,442,550 (3) |
| Series A Preferred Stock | (1) | 04/18/2006 | | C | 327,500 | | (4) | (5) | Common Stock | 98,949 (3) |
| Series B Preferred Stock | (2) | 04/18/2006 | | C | 6,414,986 | | (4) | (5) | Common Stock | 1,938,200 (3) |
| Series B Preferred Stock | (2) | 04/18/2006 | | C | 440,073 | | (4) | (5) | Common Stock | 132,961 (3) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| CARE CAPITAL II LLC 47 HULFISH STREET SUITE 310 PRINCETON, NJ 08542 | | X | | |
| CARE CAPITAL INVESTMENTS II LP 47 HULFISH STREET SUITE 310 PRINCETON, NJ 08542 | | X | | |
| Care Capital Offshore Investments II LP 47 HULFISH STREET SUITE 310 PRINCETON, NJ 08542 | | X | | |

LESCHLY JAN
47 HULFISH STREET
SUITE 310
PRINCETON, NJ 08542

X

Signatures

/s/ David R. Ramsay, Authorized
Signatory

04/18/2006

__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) Reflects the automatic conversion of each share of Series A Preferred Stock to one share of Common Stock to occur upon the close of business of the day immediately preceding the closing of the issuer's initial public offering.
- (2) Reflects the automatic conversion of each share of Series B Preferred Stock to one share of Common Stock to occur upon the close of business of the day immediately preceding the closing of the issuer's initial public offering.
- (3) 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.
- (4) Immediately.
- (5) Not applicable.

The reportable securities are owned directly by Care Capital Investments II, L.P. and indirectly by Care Capital II, LLC as general partner of Care Capital Investments II, L.P. Care Capital II, LLC disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Care Capital II, LLC is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of its pecuniary interest therein. Jan Leschly is a managing member of Care Capital II, LLC. Mr. Leschly disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that he is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of his pecuniary interest therein

- (6) The reportable securities are owned directly by Care Capital Offshore Investments II, L.P. and indirectly by Care Capital II, LLC as general partner of Care Capital Offshore Investments II, L.P. Care Capital II, LLC disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Care Capital II, LLC is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of its pecuniary interest therein. Jan Leschly is a managing member of Care Capital II, LLC. Mr. Leschly disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that he is the beneficial owner of such securities for purposes of Section 16 or for any other purpose, except to the extent of his 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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