

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

2. Issuer Name and Ticker or Trading Symbol

Vanda Pharmaceuticals Inc. [VNDA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)

Sr. VP, Chief Business Officer

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

(Street)

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

4. 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

ROCKVILLE, MD 20850

(City) (State) (Zip)

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

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SEC 1474
(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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