

Vanda Pharmaceuticals Inc.  
 Form 4  
 February 20, 2014

**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 \*  
 Kelly James Patrick

(Last) (First) (Middle)  
 2200 PENNSYLVANIA AVENUE, SUITE 300E  
 (Street)

WASHINGTON, DC 20037

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
 02/18/2014

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)  
 SVP, CFO, Sec & Treasurer

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	02/18/2014		M		12,500	A	Ⓣ
Common Stock	02/18/2014		M		4,688	A	Ⓣ
Common Stock	02/18/2014		M		2,343	A	Ⓣ
Common Stock	02/18/2014		F		7,124	D	\$ 13.46
					(2)		

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 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)	8. Amount or Number of Shares
Restricted Stock Unit	(1)	02/18/2014		M	12,500	(3) (4)	Common Stock	12,500
Restricted Stock Units	(1)	02/18/2014		M	4,688	(5) (4)	Common Stock	4,688
Restricted Stock Units	(1)	02/18/2014		M	2,343	(6) (4)	Common Stock	2,343

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kelly James Patrick 2200 PENNSYLVANIA AVENUE SUITE 300E WASHINGTON, DC 20037			SVP, CFO, Sec & Treasurer	

## Signatures

/s/ James Patrick  
Kelly 02/20/2014

\*\*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) Each Restricted Stock Unit ("RSU") represents a contingent right to receive a share of the Issuer's common stock.

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- (2) Represents shares of the Issuer's common stock withheld to satisfy tax obligations relating to the acquisition of shares of the Issuer's common stock in connection with the settlement of the vested portion of RSUs as reflected in this Form 4.

(3) The RSUs vest in four equal annual installments beginning January 1, 2012, provided Mr. Kelly has remained in continuous service with the Issuer on each applicable vesting date. Vested shares will be delivered on the First Permissible Trading Day (as defined in the RSU Agreement) that occurs on or after the day when the RSUs vest.

- (4) Not applicable.

(5) The RSUs vest in four equal annual installments beginning January 1, 2013, provided Mr. Kelly has remained in continuous service with the Issuer on each applicable vesting date. Vested shares will be delivered on the First Permissible Trading Day (as defined in the RSU Agreement) that occurs on or after the day when the RSUs vest.

(6) 50% of the original RSU award vested on July 29, 2013 due to a milestone achievement, the remaining RSUs vest in four equal annual installments beginning January 1, 2014, provided Mr. Kelly has remained in continuous service with the Issuer on each applicable vesting date. Vested shares will be delivered on the First Permissible Trading Day (as defined in the RSU Agreement) that occurs on or after the day when the RSUs vest.

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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