

Vanda Pharmaceuticals Inc.
Form 3
April 12, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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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 *

Â SHALLCROSS STEVEN A
(Last) (First) (Middle)

9605 MEDICAL CENTER
DRIVE, SUITE 300

(Street)

ROCKVILLE,Â MDÂ 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
X Officer ____ Other
(give title below) (specify below)
Sr. VP, CFO, Treasurer

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

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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)

Date Exercisable Expiration Date

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

Title Amount or Number of Shares

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)

(Instr. 5)

Nonqualified Stock Option (Right to Buy)	11/14/2006 ⁽¹⁾	11/14/2015	Common Stock	83,087 ⁽³⁾	\$ 0.83 ⁽⁴⁾	D	Â
Nonqualified Stock Option (Right to Buy)	12/29/2006 ⁽²⁾	12/29/2015	Common Stock	67,980 ⁽³⁾	\$ 4.73 ⁽⁴⁾	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHALLCROSS STEVEN A 9605 MEDICAL CENTER DRIVE, SUITE 300 ROCKVILLE, MD 20850	Â	Â	Â Sr. VP, CFO, Treasurer	Â

Signatures

/s/ Steven A. Shallcross 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 with respect to 25% of the shares on 11/14/06. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.
- (2) Exercisable with respect to 25% of the shares of 12/29/06. Exercisable with respect to an additional 2.08333% of the aggregate option share total each month thereafter.
- (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) 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.