

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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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 *
RHO VENTURES IV LP

(Last) (First) (Middle)

**CARNEGIE HALL TOWER, 152
 WEST 57TH STREET, 23RD
 FLOOR**

(Street)

NEW YORK, NY 10019

(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 Ownership (Instr. 4)	
			Code	V	Amount or Price (A) or (D)			
Common Stock	04/18/2006		C		300,841 ⁽²⁾	A	<u>(1)</u> 300,841 ⁽²⁾ I	See Footnote ⁽⁵⁾
Common Stock	04/18/2006		C		738,108 ⁽²⁾	A	<u>(1)</u> 738,108 ⁽²⁾ I	See Footnote ⁽⁶⁾
Common Stock	04/18/2006		C		708,258 ⁽²⁾	A	<u>(1)</u> 708,258 ⁽²⁾ I	See Footnote ⁽⁷⁾
Common	04/18/2006		C		655,485	A	<u>(1)</u> 655,485 ⁽²⁾ I	See

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Stock (2) Footnote (8)

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) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Series B Preferred Stock	<u>(1)</u>	04/18/2006		C	V	(A) 995,716	(D)	<u>(3)</u>	<u>(4)</u>	Common Stock	300,841 <u>(2)</u>
Series B Preferred Stock	<u>(1)</u>	04/18/2006		C	V	(A) 2,442,961	(D)	<u>(3)</u>	<u>(4)</u>	Common Stock	738,108 <u>(2)</u>
Series B Preferred Stock	<u>(1)</u>	04/18/2006		C	V	(A) 2,344,164	(D)	<u>(3)</u>	<u>(4)</u>	Common Stock	708,258 <u>(2)</u>
Series B Preferred Stock	<u>(1)</u>	04/18/2006		C	V	(A) 2,169,502	(D)	<u>(3)</u>	<u>(4)</u>	Common Stock	655,485 <u>(2)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RHO VENTURES IV LP CARNEGIE HALL TOWER 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019		X		
RHO MANAGEMENT VENTURES IV LLC CARNEGIE HALL TOWER 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019		X		

RHO MANAGEMENT TRUST I CARNEGIE HALL TOWER 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X
RHO VENTURES IV QP LP CARNEGIE HALL TOWER 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X
RHO VENTURES IV GMBH & CO BETEILIGUNGS KG CARNEGIE HALL TOWER 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X
RHO CAPITAL PARTNERS VERWALTUNGS GMBH CARNEGIE HALL TOWER 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X
RHO CAPITAL PARTNERS INC CARNEGIE HALL TOWER 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X
LESCHLY MARK CARNEGIE HALL TOWER 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X
KAIROUZ HABIB CARNEGIE HALL TOWER 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X
RUCH JOSHUA CARNEGIE HALL TOWER 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X

Signatures

/s/ Jeffrey Martin, 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 B Preferred Stock into one share of Common Stock upon the close of business of the day immediately preceding the closing of the issuer's initial public offering.
 - (2) 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.
 - (3) Immediately.

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(4) Not applicable.

Shares are held of record by Rho Ventures IV, L.P. Rho Management Ventures IV, L.L.C. is the general partner of Rho Ventures IV, L.P. Rho Management Ventures IV, L.L.C. disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Rho Management Ventures IV, L.L.C. is the beneficial owner of such securities for purposes of Section 16 or for any other

(5) purpose, except to the extent of its pecuniary interest therein. Mark Leschly, Habib Kairouz and Joshua Ruch are the managing members of Rho Management Ventures IV, L.L.C. Each of Mark Leschly, Habib Kairouz and Joshua Ruch disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that any of them 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.

Shares are held of record by Rho Ventures IV GmbH & Co. Beteiligungs KG. Rho Capital Partners Verwaltungs GmbH is the general partner of Rho Ventures IV GmbH & Co. Beteiligungs KG. Rho Capital Partners Verwaltungs GmbH disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Rho Capital Partners Verwaltungs GmbH 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. Mark

(6) Leschly, Habib Kairouz and Joshua Ruch are the managing partners of Rho Capital Partners Verwaltungs GmbH. Each of Mark Leschly, Habib Kairouz and Joshua Ruch disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that any of them 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.

Shares are held of record by Rho Ventures IV (QP), L.P. Rho Management Ventures IV, L.L.C. is the general partner of Rho Ventures IV (QP), L.P. Rho Management Ventures IV, L.L.C. disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Rho Management Ventures IV, L.L.C. is the beneficial owner of such securities for purposes of Section 16 or

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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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