

Ramsay David Russ
Form 4
February 27, 2007

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 *
Ramsay David Russ

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
47 HULFISH STREET, SUITE 310
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/23/2007

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

PRINCETON, NJ 08542

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

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 02/23/2007 | | S | V Amount (D) Price 359,469 D \$ 26.0166 | 935,831 | I | See foot note <u>(1)</u> |
| Common Stock | 02/23/2007 | | S | V Amount (D) Price 24,661 D \$ 26.0166 | 64,169 | I | See foot note <u>(2)</u> |

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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Table with 9 columns: 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. Price of Derivative Security (Instr. 5), 9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 5).

Reporting Owners

Table with 2 main columns: Reporting Owner Name / Address, Relationships. Relationships sub-columns: Director, 10% Owner, Officer, Other. Data row: Ramsay David Russ, 47 HULFISH STREET SUITE 310 PRINCETON, NJ 08542, X under Director.

Signatures

/s/ David R. Ramsay 02/27/2007
**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) 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. The reporting person is a managing member of Care Capital II, LLC. The reporting person 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 its pecuniary interest therein.

(2) 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. The reporting person is a managing member of Care Capital II, LLC. The reporting person 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 its 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. 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.