

Vanda Pharmaceuticals Inc.  
 Form 4  
 November 09, 2006

**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 \*  
**RHO VENTURES IV LP**

(Last) (First) (Middle)

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)

11/06/2006

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 (A) or (D) Price			
Common Stock	11/06/2006		J <sup>(1)</sup>	13,474 A <u>(1)</u>	2,416,166	I	See Footnotes (2) (3) (4) (5)
Common Stock	11/06/2006		S	13,474 D \$ 11.7874	2,402,692	I	See Footnotes (2) (3) (4) (6)

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

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SEC 1474 (9-02)

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**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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RHO VENTURES IV LP 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019		X		
RHO VENTURES IV QP LP 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019		X		
RHO VENTURES IV GMBH & CO BETEILIGUNGS KG 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019		X		
RHO CAPITAL PARTNERS VERWALTUNGS GMBH 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019		X		
RHO MANAGEMENT VENTURES IV LLC 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019		X		
RHO CAPITAL PARTNERS INC 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019		X		
RUCH JOSHUA 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019		X		
KAIROUZ HABIB 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019		X		

LESCHLY MARK C/O RHO CAPITAL PARTNERS, INC. 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X
RHO MANAGEMENT TRUST I C/O RHO CAPITAL PARTNERS, INC. 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X

## Signatures

/s/ Jeff I. Martin Attorney-In-Fact	11/06/2006
**Signature of Reporting Person	Date
/s/ Jeffrey I. Martin Attorney in Fact	11/06/2006
**Signature of Reporting Person	Date
/s/ Jeffrey Martin Attorney In-fact	11/06/2006
**Signature of Reporting Person	Date
/s/ Jeffrey I Martin Attorney in Fact	11/06/2006
**Signature of Reporting Person	Date
/s/ Jeff I. Martin Attorney-In-Fact	11/06/2006
**Signature of Reporting Person	Date
/s/ Jeff I. Martin Attorney In-Fact	11/06/2006
**Signature of Reporting Person	Date
s/ Jeffrey I. Martin Attorney-In-Fact	11/06/2006
**Signature of Reporting Person	Date
/s/ Habib Kairouz	11/06/2006
**Signature of Reporting Person	Date
/s/ Mark Leschly	11/06/2006
**Signature of Reporting Person	Date
/ s/ Jeffrey I. Martin	11/06/2006
**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) 13,474 shares received by Rho Management Trust I ("Trust I") in a pro rata distribution exempt under Rule 16a-9(a) from Prospect Venture Partners II, LP., of which Trust I is a limited partner.

300,841 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 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.

- (3) 738,108 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 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.

- (4) 708,258 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 for any other 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.

- (5) 668,959 shares are held of record by Trust I. Rho Capital Partners, Inc. is the investment advisor to Trust I. Rho Capital Partners, Inc. disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Rho Capital Partners, Inc. 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 Leschly, Habib Kairouz and Joshua Ruch are the managing directors of Rho Capital Partners, Inc. 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.

- (6) 655,485 shares are held of record by Trust I. Rho Capital Partners, Inc. is the investment advisor to Trust I. Rho Capital Partners, Inc. disclaims beneficial ownership of the reportable securities and this report shall not be deemed an admission that Rho Capital Partners, Inc. 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 Leschly, Habib Kairouz and Joshua Ruch are the managing directors of Rho Capital Partners, Inc. 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.

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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