

Vanda Pharmaceuticals Inc.  
Form 3  
April 12, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0104  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

**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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
KARABELAS ARGERIS N		(Month/Day/Year)	Vanda Pharmaceuticals Inc. [VNDA]	
(Last)	(First)	(Middle)	04/12/2006	
47 HULFISH STREET, SUITE 310			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
PRINCETON, NJ 08542			<input checked="" type="checkbox"/> Director	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			Chairman of the Board	

**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)
Common Stock	1,450 <sup>(7)</sup>	I	See Footnote <sup>(1)</sup>
Common Stock	90 <sup>(7)</sup>	I	See Footnote <sup>(2)</sup>

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)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of	5. Ownership Form of Derivative	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Derivative Security	Security: Direct (D) or Indirect (I) (Instr. 5)	
Series A Preferred Stock	Â (3)	Â (4)	Common Stock	1,442,552 (7)	\$ (5)	I	See Footnote (1)
Series A Preferred Stock	Â (3)	Â (4)	Common Stock	98,949 (7)	\$ (5)	I	See Footnote (2)
Series B Preferred Stock	Â (3)	Â (4)	Common Stock	1,938,203 (7)	\$ (6)	I	See Footnote (1)
Series B Preferred Stock	Â (3)	Â (4)	Common Stock	132,961 (7)	\$ (6)	I	See Footnote (2)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KARABELAS ARGERIS N 47 HULFISH STREET SUITE 310 PRINCETON, NJ 08542	Â X	Â	Â Chairman of the Board	Â

## Signatures

/s/ Argeris N. Karabelas, Authorized Signatory  
 Date: 04/12/2006  
 \*\*Signature of Reporting Person

## 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) 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 his 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 his pecuniary interest therein.
- (3) Immediately.
- (4) Not applicable.
- (5) Reflects the automatic conversion of each share of Series A Preferred Stock into one share of Common Stock to occur upon the close of business of the day immediately preceding the closing of the issuer's initial public offering.
- (6) Reflects the automatic conversion of each share of Series B Preferred Stock into one share of Common Stock to occur upon the close of business of the day immediately preceding the closing of the issuer's initial public offering.
- (7)

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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.

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.