

Vanda Pharmaceuticals Inc.  
Form 4  
September 19, 2016

**FORM 4**

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

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

## OMB APPROVAL

OMB  
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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Flynn James E

(Last) (First) (Middle)

780 THIRD AVENUE, 37TH  
FLOOR,

(Street)

NEW YORK, NY 10017

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol

Vanda Pharmaceuticals Inc. [VNDA]

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

09/15/2016

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) \_\_\_\_X\_\_\_\_ Other (specify below)

Possible Member of 10% Group

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired (A)<br>or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4)       |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Common<br>Stock                       | 09/15/2016                              |                                                             | S                                    | 62,791                                                                  | D \$<br>15.755<br>(1)                                                                                              | 2,090,161                                                               | I Through<br>Deerfield<br>Partners, L.P.<br>(5) (6)                     |
| Common<br>Stock                       | 09/15/2016                              |                                                             | S                                    | 79,915                                                                  | D \$<br>15.755<br>(1)                                                                                              | 2,660,207                                                               | I Through<br>Deerfield<br>International<br>Master Fund,<br>L.P. (5) (6) |
| Common<br>Stock                       | 09/15/2016                              |                                                             | S                                    | 58,997                                                                  | D \$<br>15.755<br>(1)                                                                                              | 1,044,620                                                               | I Through<br>Deerfield<br>Special                                       |

|              |            |   |         |   |                             |           |   |                                                                                 |
|--------------|------------|---|---------|---|-----------------------------|-----------|---|---------------------------------------------------------------------------------|
|              |            |   |         |   |                             |           |   | Situations Fund, L.P. <sup>(5)</sup><br><sup>(6)</sup>                          |
| Common Stock | 09/16/2016 | S | 93,506  | D | \$<br><sup>(2)</sup> 15.619 | 1,996,655 | I | Through Deerfield Partners, L.P. <sup>(5)</sup> <sup>(6)</sup>                  |
| Common Stock | 09/16/2016 | S | 119,008 | D | \$<br><sup>(2)</sup> 15.619 | 2,541,199 | I | Through Deerfield International Master Fund, L.P. <sup>(5)</sup> <sup>(6)</sup> |
| Common Stock | 09/16/2016 | S | 87,858  | D | \$<br><sup>(2)</sup> 15.619 | 956,762   | I | Through Deerfield Special Situations Fund, L.P. <sup>(5)</sup> <sup>(6)</sup>   |
| Common Stock | 09/19/2016 | S | 3,857   | D | \$<br><sup>(3)</sup> 15.528 | 1,992,798 | I | Through Deerfield Partners, L.P. <sup>(5)</sup> <sup>(6)</sup>                  |
| Common Stock | 09/19/2016 | S | 4,910   | D | \$<br><sup>(3)</sup> 15.528 | 2,536,289 | I | Through Deerfield International Master Fund, L.P. <sup>(5)</sup> <sup>(6)</sup> |
| Common Stock | 09/19/2016 | S | 37,044  | D | \$ <sup>(4)</sup> 15.58     | 919,718   | I | Through Deerfield Special Situations Fund, L.P. <sup>(5)</sup> <sup>(6)</sup>   |

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

**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.**

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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 | 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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned |
|--------------------------------------------|-----------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------|
|--------------------------------------------|-----------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------|

Security

Acquired  
(A) or  
Disposed  
of (D)  
(Instr. 3,  
4, and 5)Follow  
Repor  
Trans  
(Instr

| Code | V | (A) | (D) | Date<br>Exercisable | Expiration<br>Date | Title | Amount<br>or<br>Number<br>of<br>Shares |
|------|---|-----|-----|---------------------|--------------------|-------|----------------------------------------|
|------|---|-----|-----|---------------------|--------------------|-------|----------------------------------------|

## Reporting Owners

### Relationships

#### Reporting Owner Name / Address

| Director | 10% Owner | Officer | Other |
|----------|-----------|---------|-------|
|----------|-----------|---------|-------|

|                                                                                                 |   |  |                              |
|-------------------------------------------------------------------------------------------------|---|--|------------------------------|
| Flynn James E<br>780 THIRD AVENUE, 37TH FLOOR<br>NEW YORK, NY 10017                             | X |  | Possible Member of 10% Group |
| Deerfield Mgmt L.P.<br>780 THIRD AVENUE, 37TH FLOOR<br>NEW YORK, NY 10017                       | X |  | Possible Member of 10% Group |
| DEERFIELD MANAGEMENT CO<br>780 THIRD AVENUE, 37TH FLOOR<br>NEW YORK, NY 10017                   | X |  | Possible Member of 10% Group |
| Deerfield International Master Fund, L.P.<br>780 3RD AVENUE<br>37TH FLOOR<br>NEW YORK, NY 10017 | X |  | Possible Member of 10% Group |
| DEERFIELD PARTNERS, L.P.<br>780 THIRD AVENUE, 37TH FLOOR<br>NEW YORK, NY 10017                  | X |  | Possible Member of 10% Group |
| Deerfield Special Situations Fund, L.P.<br>780 3RD AVENUE<br>37TH FLOOR<br>NEW YORK, NY 10017   | X |  | Possible Member of 10% Group |

## Signatures

/s/ Jonathan Isler 09/19/2016

\*\*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 price reported in Column 4 is a weighted average price. The shares were sold in multiple transactions at prices ranging from \$15.70 to \$15.925, inclusive. The reporting persons undertake to provide to the Issuer, any security holder of the Issuer or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares purchased at each separate price

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within the ranges set forth in footnote (1), (2), (3) and (4) of this Form 4.

- (2) The price reported in Column 4 is a weighted average price. The shares were sold in multiple transactions at prices ranging from \$15.50 to \$15.90, inclusive.
- (3) The price reported in Column 4 is a weighted average price. The shares were sold in multiple transactions at prices ranging from \$15.50 to \$15.56, inclusive.
- (4) The price reported in Column 4 is a weighted average price. The shares were sold in multiple transactions at prices ranging from \$15.50 to \$15.60, inclusive.

- This Form 4 is being filed by the undersigned as well as the entities listed on the Joint Filer Information Statement attached as an exhibit hereto (the "Reporting Persons"). Deerfield Mgmt, L.P. is the general partner of Deerfield Special Situations Fund, L.P., Deerfield Partners, L.P. and Deerfield International Master Fund, L.P. (collectively, the "Funds"). Deerfield Management Company, L.P. is the investment manager of the Funds. James E. Flynn is the sole member of the general partner of each of Deerfield Mgmt, L.P. and Deerfield Management Company, L.P.

- In accordance with Instruction 4 (b)(iv) to Form 4, the entire amount of the Issuer's securities held by the Funds is reported herein. For purposes of Section 16 of the Securities Exchange Act of 1934, as amended, each Reporting Person disclaims beneficial ownership of any such securities, except to the extent of his/its indirect pecuniary interest therein, if any, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or otherwise.

### Remarks:

Jonathan Isler, Attorney-in-Fact: Power of Attorney, which is hereby incorporated by reference to Exhibit 24 to a Form 3 with

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.