Vanda Pharmaceuticals Inc.

Form 4

February 20, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB 3235-0287

OMB APPROVAL

Number:

Expires:

January 31, 2005

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Check this box

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

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

Common

Stock

 $02/20/2007_{\underline{(1)}}$

(Print or Type Responses)

1. Name and Address of Reporting Person * SHALLCROSS STEVEN A			Issuer Name and Ticker or Trading nbol	5. Relationship of Reporting Person(s) to Issuer			
			nda Pharmaceuticals Inc. [VNDA	(Check all applicable)			
(Last)	(First)	Middle) 3. D	Date of Earliest Transaction				
9605 MEDICAL CENTER DRIVE, SUITE 300			onth/Day/Year) 20/2007	Director 10% Owner X Officer (give title Other (specify below)			
SCIIE 300	(Street)		f Amendment, Date Original d(Month/Day/Year)	Sr. VP, CFO, Treasurer 6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
ROCKVILI	LE, MD 20850						
(City)	(State)	(Zip)	Table I - Non-Derivative Securities A	cquired, Disposed of, or Beneficially Owned			
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	e 2A. Deemed Execution Date any (Month/Day/Yo	Code (Instr. 3, 4 and 5)	Ownership Indirect Beneficially Form: Direct Beneficial Owned (D) or Ownership Following Indirect (I) (Instr. 4) Reported (Instr. 4) Transaction(s) (Instr. 3 and 4)			
Common Stock	02/20/2007(1)		M 3,300 A \$ 0.82	74 3,300 D			

3,300 D

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

S

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D

\$ 27.37 0

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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. Transacti Code (Instr. 8)	5. Number out 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)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 0.8274	02/20/2007		M	3,300	<u>(2)</u>	11/14/2015	Common Stock	3,300

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

SHALLCROSS STEVEN A 9605 MEDICAL CENTER DRIVE, SUITE 300 ROCKVILLE, MD 20850

Sr. VP, CFO, Treasurer

Signatures

/s/ Steven A. O2/20/2007 Shallcross

**Signature of Reporting 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) Transaction was administered pursuant to an authorized 10b5-1 plan.
- (2) Exercisable with respect to 25% of the shares one year after the grant, exercisable with respect to and additional 2.08333% of the aggregate shares each month thereafter.

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.

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