

January 12, 2011

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**# 2 Rule 14a-8 Proposal**  
**H&Q Life Sciences Investors (HQL)**  
**Elect Each Trustee Annually**  
**Kenneth Steiner**

Ladies and Gentlemen:

This further responds to the December 20, 2010 request to block this rule 14a-8 proposal.

If each company director (trustee) agreed to resign effective the date of a future shareholder meeting and was willing to be a candidate for a one-year director term henceforth, this proposal would not permit shareholders to stop them from doing so. Under these circumstances, or any other circumstances, this proposal would not give shareholders any new right to nominate or elect directors. Thus this proposal does not relate to "nomination or election for membership."

The company only cited other cases where proposals on this topic were permitted to be included in annual meeting proxies if a change was made. The company does not even state whether any of the proponents in these cases submitted a rebuttal highlighting the issue cited in the preceding paragraph.

The company no action request contains the false statement that the "Proposal would create uncertainty about the term of Trustees elected to the Board at the 2011 Annual Meeting ..." This is false because this is a non-binding proposal.

The company incorrectly claims that a sentence that simply indicates need for improvement is false and misleading.

This is to request that the Securities and Exchange Commission allow this resolution to stand and be voted upon in the 2011 proxy.

Sincerely,



John Chevedden

cc:Kenneth Steiner  
Daniel Omstead <domstead@hqcm.com>

[HQL: Rule 14a-8 Proposal, October 6, 2010]

**3 [Number to be assigned by the company] – Elect Each Trustee Annually**

RESOLVED, shareholders ask that our Company take the steps necessary to reorganize the Board of Trustees into one class with each trustee subject to election each year and to complete this transition within one-year.

If our company took more than one-year to phase in this proposal it could create conflict among our trustees. Trustees with 3-year terms could be more casual because they would not stand for election immediately while trustees with one-years terms would be under more immediate pressure.

Our current practice, in which only a few trustees stand for election annually, is not in the best interest of our Company and its shareholders. Eliminating this staggered system would give shareholders an opportunity to register their view on the performance of each trustee annually. Electing trustees in this manner is one of the best methods available to shareholders to ensure that our Company will be managed in a manner that is in the best interest of shareholders.

Arthur Levitt, former Chairman of the Securities and Exchange Commission said, “In my view it’s best for the investor if the entire board is elected once a year. Without annual election of each director shareholders have far less control over who represents them.”

In 2010 over 70% of S&P 500 companies had annual election for each Board member. Shareholder resolutions on this topic won an average of 68%-support in 2009.

Increasingly, companies themselves are presenting resolutions seeking shareholder support for this topic. These management resolutions regularly receive votes in the 90%-plus range. This is clearly a trend with companies as they strive to adopt best governance practices.

The merit of this Elect Each Trustee Annually proposal should also be considered in the context of the need for additional improvements in our company’s 2010 reported corporate governance status.

Please encourage our board to respond positively to this proposal: Elect Each Trustee Annually – Yes on 3. [Number to be assigned by the company]

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Notes:

Kenneth Steiner, 14 Stoner Ave., 2M, Great Neck, NY 11021 sponsored this proposal.