
CHRISTOPHER P. HARVEY

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VIA E-MAIL

January 9, 2019

U.S. Securities and Exchange Commission
Division of Investment Management
Office of Chief Counsel
100 F Street N.E.
Washington, D.C. 20549
IMshareholderproposals@sec.gov

**Re: Shareholder Proposal Submitted by Mr. Kenneth Steiner for Inclusion in the
Tekla Life Sciences Investors' 2019 Proxy Statement**

Dear Sir or Madam:

We are counsel to Tekla Life Sciences Investors ("HQL"), a Massachusetts business trust. On December 9, 2018, HQL received a shareholder proposal and supporting statement (together, the "Proposal") from Mr. Kenneth Steiner (the "Proponent") for inclusion in HQL's proxy statement (the "2019 Proxy Statement") to be distributed to HQL's shareholders in connection with its 2019 Annual Meeting of Shareholders. The Proposal, which was amended and restated by the Proponent on December 20, 2018, is attached to this letter as Exhibit A.

The purpose of this letter is to notify the U.S. Securities and Exchange Commission (the "Commission") of HQL's intent to exclude the Proposal from its 2019 Proxy Statement and form of proxy (the "2019 Proxy Materials"). On behalf of HQL, we respectfully request confirmation that the staff of the Division of Investment Management (the "Staff") will not recommend any enforcement action to the Commission if, in reliance on certain provisions of Rule 14a-8 under the Securities Exchange Act of 1934, as amended, HQL excludes the Proposal (in its entirety or a portion thereof) from its 2019 Proxy Materials.

In accordance with Rule 14a-8(j) and Staff Legal Bulletin No. 14D ("SLB 14D"), we are emailing this letter and its attachments to IMshareholderproposals@sec.gov. Additionally, in accordance with Rule 14a-8(j), we have copied the Proponent's agent on the email and are simultaneously forwarding a copy of this letter and its attachments via overnight mail to the Proponent and to his agent as notice of HQL's intention to exclude the Proposal from the 2019 Proxy Materials. HQL presently intends to file its definitive 2019 Proxy Materials with

the Commission on or about April 18, 2019, or as soon as possible thereafter. Accordingly, pursuant to Rule 14a-8(j), this letter is being submitted not less than 80 calendar days before HQL will file its definitive 2019 Proxy Materials.

Rule 14a-8(k) and SLB 14D provide that shareholder proponents are required to send issuers a copy of any correspondence that the proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to inform the Proponent and his agent that if the Proponent and/or the agent elect to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of HQL pursuant to Rule 14a-8(k) and SLB 14D.

Please send any response by the Staff to this letter to my attention by email (christopher.harvey@dechert.com) or by fax ((617) 275-8390) and send a copy of the response to the attention of the Proponent's agent, John Chevedden, at the mailing address and/or email address set forth in the Proposal. Copies of other correspondence relating to the Proposal are attached to this letter as Exhibit B.

The Proposal

The Proposal relates to the declassification of HQL's Board of Trustees (the "Board") and states, in relevant part:

RESOLVED, shareholders ask that our Company take the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year. The Board of Detectors [sic] has the means to adopt this proposal in one year.

Analysis of Bases for Exclusion

The Proposal May Be Omitted Under Rule 14a-8(i)(8)(ii) Because It Would Improperly Remove Trustees From Office Before Their Terms Expire

The Proposal may be omitted under Rule 14a-8(i)(8)(ii), which permits the exclusion of a shareholder proposal if it "would remove a director from office before his or her term expired." Pursuant to Section 2.2 of Article II of HQL's Declaration of Trust, the Board is divided into three classes, with approximately one-third of the Board being elected annually for three-year terms. Of HQL's seven continuing trusteeships, three trustees ("Trustees") will stand for election in 2019, another two in 2020 and the last two in 2021. The Proposal contemplates that the full Board should be elected at each annual meeting. As a result, if the

Proposal were put into effect, some of the current Trustees would be disqualified from completing terms for which they have already been elected. In addition, passage of the Proposal would create uncertainty about the term of Trustees elected to the Board at the 2019 Annual Meeting and may similarly disqualify them from completing terms for which they would be elected. Accordingly, the Proposal is designed to have the intended effect of removing Trustees from office before his or her term expired.

The staff of the Commission's Division of Corporation Finance has previously excluded similar declassification proposals proposed by the Proponent or his agent to other issuers. *See, e.g., NeuStar, Inc.* (Mar. 19, 2014); *The Brinks Company*, (Jan. 17, 2014); *Kinetic Concepts, Inc.* (Mar. 21, 2011); *McDonald's Corporation* (Mar. 15, 2011); *Western Union Co.*, (Feb. 25, 2011). Additionally, the Staff has previously found that there is basis to exclude a similar declassification proposal proposed by the Proponent to HQL in 2018 and the same result is warranted again in 2019. *See Tekla Life Sciences Investors* (Mar. 8, 2018).

The Proponent has made no attempt to provide for the protection of the terms of Trustees already elected or to clarify that the election scheduled at the 2019 Annual Meeting would not be affected. Accordingly, the Proposal, if adopted, would disqualify certain current Trustees and all Trustee nominees elected at the 2019 Annual Meeting from completing their terms on the Board in contravention of Rule 14a-8(i)(8)(ii). Therefore, the Proposal is properly excludable from the 2019 Proxy Materials.

The Proposal Or Portion Thereof May Be Omitted Under Rules 14a-8(i)(3) And 14a-9 Because It Contains A Statement That Is Materially Misleading

A shareholder proposal or portion thereof may be properly omitted under Rule 14a-8(i)(3) when it is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially misleading statements in proxy soliciting materials. The Staff stated in Staff Legal Bulletin No. 14B that reliance on Rule 14a-8(i)(3) to exclude a proposal or portions of a supporting statement may be appropriate in only a few limited instances, one of which is when the issuer "demonstrates objectively that a factual statement is materially false or misleading."

The Proposal states that "[t]his proposal topic previously won 44%-support at [HQL]" and that "[t]his 44%-vote would have been higher if all shareholders had access to independent proxy voting advice." These statements are misleading as they fail to clarify that the 44% support was for the Proponent's 2012 declassification proposal, and that the Proponent has submitted two more recent declassification proposals in 2017 and 2018, and those received only 37.5% and 36.78% support, respectively. In fact, of the Proponent's four prior failed

declassification proposals (another was submitted in 2011, receiving 39.92% support), the more recent declassification proposals in 2017 and 2018 obtained lower percentage support than the 44% 2012 figure cited by the Proponent, and the most recent declassification proposal in 2018 obtained the lowest percentage support of all four prior failed declassification proposals. Without this additional context, these statements are misleading as they imply and suggest that the Proponent had submitted only one prior declassification proposal, which received 44% support from shareholders, or alternatively that the most recent proposal received this level of support, when in fact the Proponent has submitted multiple failed declassification proposals and support for such a proposal is trending downward.

The statement by the Proponent that the “44%-vote would have been higher if all shareholders had access to independent proxy voting advice” is also misleading as it is drafted by the Proponent to read as a factual statement when in reality such statement is the Proponent’s opinion, and should be qualified as such in the Proposal.

Request for Confirmation

For the foregoing reasons, HQL respectfully requests that the Staff confirm that it will not recommend any enforcement action to the Commission, if HQL excludes the Proposal from its 2019 Proxy Materials. If the Staff disagrees with our conclusion that the Proposal may be excluded from the 2019 Proxy Materials, HQL respectfully requests that the Staff confirm that it will not recommend any enforcement action to the Commission, if HQL excludes from the 2019 Proxy Materials the statements identified above as materially misleading.

Should you have any questions regarding any aspect of this letter or require any additional information, please contact the undersigned at (617) 728-7167 or christopher.harvey@dechert.com. If the Staff disagrees with our conclusion that the Proposal may be excluded from the 2019 Proxy Materials, we would appreciate an opportunity to discuss the matter with the Staff prior to issuance of its formal response.

Sincerely,



Christopher P. Harvey

cc: Kenneth Steiner (via Fed Ex)
John Chevedden (via email and Fed Ex)
Daniel R. Omstead, Ph.D. (via email)

Exhibit A

Proposal

Kenneth Steiner



Dr. Daniel Omstead
President
Tekla Life Sciences Investors (HQL)
100 Federal Street, 19th Floor
Boston, Massachusetts 02110
PH: 617-772-8500

REVISED 20 DEC 2018

Dear Dr. Omstead,

I purchased stock in our company because I believed our company had potential for improved performance. My attached Rule 14a-8 proposal is submitted in support of the long-term performance of our company. This Rule 14a-8 proposal is submitted as a low-cost method to improve company performance.

My proposal is for the next annual shareholder meeting. I will meet Rule 14a-8 requirements including the continuous ownership of the required stock value until after the date of the respective shareholder meeting. My submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication. This is my proxy for John Chevedden and/or his designee to forward this Rule 14a-8 proposal to the company and to act on my behalf regarding this Rule 14a-8 proposal, and/or modification of it, for the forthcoming shareholder meeting before, during and after the forthcoming shareholder meeting. Please direct all future communications regarding my rule 14a-8 proposal to John Chevedden (PH: 310-371-7872, 2215 Nelson Ave., No. 205, Redondo Beach, CA 90278) at: olmsted7p (at) earthlink.net to facilitate prompt and verifiable communications. Please identify this proposal as my proposal exclusively.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote. Your consideration and the consideration of the Board of Directors is appreciated in support of the long-term performance of our company. Please acknowledge receipt of my proposal promptly by email to olmsted7p (at) earthlink.net

Sincerely,

Kenneth Steiner

10-9-18
Date

cc: Laura Woodward <lwoodward@teklacap.com>
Dr. Daniel Omstead <hql@destracapital.com>

[HQL: Rule 14a-8 Proposal, December 9, 2018 | Revised December 20, 2018]

[This line and any line above it – *Not* for publication.]

Proposal [4] – Elect Each Director Annually

RESOLVED, shareholders ask that our Company take the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year. The Board of Directors has the means to adopt this proposal in one year.

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.”

A total of 79 S&P 500 and Fortune 500 companies, worth more than one trillion dollars, adopted this proposal topic since 2012. Annual elections are widely viewed as a corporate governance best practice. Annual election of each director could make our directors more accountable, and thereby contribute to improved performance and increased company value.

James McRitchie’s proposal on this same topic won 84%-support at Illumina Inc. in 2018. John Chevedden’s proposal on this same topic won 88%-support at FleetCor Technologies in 2018.

This proposal topic previously won 44%-support at Tekla Life Sciences Investors. This 44%-vote would have been higher if all shareholders had access to independent proxy voting advice.

Shame on our Board of Directors, who have a fiduciary duty to the shareholders of Tekla Life Sciences, for using shareholder money to target shareholders with telephone calls telling them how to vote and thus making the shareholder vote not a level playing field.

Please vote yes:

Elect Each Director Annually – Proposal [4]

[The above line – *Is* for publication.]

Kenneth Steiner, [REDACTED] sponsors this proposal.

Notes:

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email [olmsted7p (at) earthlink.net].

Exhibit B

Additional Correspondence

From: olmsted [mailto:olmsted7p@earthlink.net]
Sent: Monday, December 10, 2018 2:47 PM
To: Laura Woodward
Subject: Re: Rule 14a-8 Proposal (HQL)

Thank you.

From: Laura Woodward
Sent: Monday, December 10, 2018 2:08 PM
To: olmsted (<olmsted7p@earthlink.net>)
Subject: FW: Rule 14a-8 Proposal (HQL)``

We acknowledge the receipt of your proposal.

Laura Woodward
Chief Compliance Officer and VP of Fund Administration
Tekia Capital Management LLC
100 Federal Street, 19th floor
Boston, MA 02110
lwoodward@tekiacap.com
www.tekiacap.com
Main: 617-772-8500
Tel: 617-772-8515

From: olmsted <olmsted7p@earthlink.net>
Sent: Sunday, December 9, 2018 10:08 PM
To: Daniel Omstead <domstead@tekiacap.com>; Dr. Daniel Omstead <hql@destracapital.com>
Cc: Dr. Daniel Omstead <hql@destracapital.com>
Subject: Rule 14a-8 Proposal (HQL)``

Dr. Omstead,

Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis cost.

Sincerely,

John Chevedden



12/20/2018

Kenneth Steiner
[REDACTED]

Re: Your TD Ameritrade Account Ending in 8580 in TD Ameritrade Clearing Inc DTC #0188

Dear Kenneth Steiner,

Thank you for allowing me to assist you today. As you requested, this letter confirms that, as of close of business on December 19, 2018, you have continuously held no less than 500 shares of each of the following stocks in the above referenced account since October 1, 2017.

Takla Life Sciences Investors (HQL)
[REDACTED]

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,

Andrew P. Haag
Resource Specialist
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

Market volatility, volume, and system availability may delay account access and trade executions.

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