

November 8, 2011

BY EMAIL (shareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: *Capitol Bancorp Ltd. – 2011 Annual Meeting*
Omission of Shareholder Proposal of Glenn Toyoshima

Ladies and Gentlemen:

We are writing on behalf of Capitol Bancorp Ltd., a Michigan corporation (“*Capitol*”) pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended, to request that the Staff of the Division of Corporation Finance (the “*Staff*”) of the Securities and Exchange Commission (“*SEC*”) concur with our view that, for the reasons stated below, Capitol may exclude the shareholder proposal and supporting statement (the “*Proposal*”) submitted by Glenn Toyoshima (the “*Proponent*”) from the proxy materials to be distributed by Capitol in connection with its 2011 annual meeting of shareholders (the “*2011 Proxy Materials*”).

In accordance with Section C of Staff Legal Bulletin No. 14D (November 7, 2008), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of Capitol’s intent to omit the Proposal from the 2011 Proxy Materials.

Capitol intends to mail its 2011 proxy materials on or about November 10, 2011.

I. The Proposal

The Proposal requests that the board of directors of Capitol “take the necessary steps to declassify the Board so that all directors are elected on an annual basis, beginning as soon as reasonably possible. The Board declassification shall be completed in a manner that does not affect unexpired terms of the previously elected Directors.”

November 8, 2011

Page 2

II. Basis for Exclusion

We hereby respectfully request that the Staff concur in Capitol's view that it may exclude the Proposal from the 2011 proxy materials pursuant to Rule 14a8(b)(i) because the Proponent has not continuously held at least \$2,000 in market value or 1% of Capitol's securities for at least one year prior to the submission of the Proposal.

III. Background

Capitol's 2010 annual meeting was held on April 28, 2010. For a variety of reasons, Capitol elected to delay the 2011 annual meeting until December of 2011. In accordance with its bylaws and SEC regulations, Capitol filed an 8-K and issued a press release on October 26, 2011 announcing that the 2011 annual meeting would be held, December 8, 2011, notifying shareholders that proxy materials would be mailed on or around November 10, 2011.

Capitol received the Proposal on November 4, 2011, accompanied by a cover letter from the Proponent, dated November 4, 2011. The Proposal was faxed to Capitol, along with several other shareholder proposals submitted by other proponents. In the cover letter, the Proponent indicated that he owns 4,807 shares of Capitol's common stock. The representation as to the Proponent's holdings is consistent with Capitol's own records. A copy of the Proposal and the Proponent's cover letter is attached hereto as Exhibit A.

IV. The Proposal May Be Excluded Pursuant to Rule 14a-8(f)(1) Because the Proponent Failed to Satisfy the Market Value Threshold of the Continuous Ownership Requirements of Rule 14a-8(b)(1).

Rule 14a-8(b)(1) provides that, in order to be eligible to submit a proposal, a shareholder must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal for at least one year prior to the date the proposal is submitted and must continue to hold those securities through the date of the meeting.

The Proponent's cover letter specifically notes that the Proponent holds 4,807 shares of Capitol's common stock. In accordance with Section C.1 of Staff Legal Bulletin No. 14 (July 13, 2001), whether the Proponent meets the market value threshold may be determined by calculating whether on any date within 60 calendar days before the date the Proponent submits the proposal, the Proponent's investment is valued at \$2,000 or greater. As demonstrated on Exhibit B, the highest selling price of Capitol's common stock in the sixty day period preceding receipt of the Proposal was \$0.12. Accordingly, the value of Proponent's investment in Capitol never exceed \$576.85 in the past sixty days (4,807 x \$.12 = \$576.85). Moreover, the Proponent also fails to meet the 1% test since, as of November 4, 2011, Capitol has 41,045,267 shares of its common stock issued and outstanding.

November 8, 2011

Page 3

For these reasons, the Proponent fails to satisfy the market value threshold requirements of Rule 14a-8(b)(1). Because this deficiency cannot be remedied by the Proponent, Capitol is not required to notify the Proponent of the eligibility deficiency under Rule 14a-8(f)(1).

V. Capitol Has Good Cause for Failing to Meet the 80-day Deadline Specified in Rule 14a-8(j)

Capitol cannot meet the 80-day deadline specified in Rule 14a-8(j) because it did not receive the Proposal until November 4, 2011, only six days prior to the mailing date announced by Capitol in October. Under the circumstances, there is not sufficient time to give the SEC the standard 80 days notice prior to mailing the 2011 Proxy Materials to Capitol's shareholders without moving Capitol's 2011 annual meeting to a date in 2012. Such a move is a practical impossibility for Capitol. Accordingly, Capitol should be allowed to exclude the Proposal based on the clear evidence of ineligibility without waiting an additional 80 days.

VI. Conclusion

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if Capitol excludes the Proposal from its 2011 Proxy Materials. Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Capitol's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Please do not hesitate to contact me at 269-337-7702 or ptorrence@honigman.com.

Very truly yours,

HONIGMAN MILLER SCHWARTZ AND COHN LLP



By: _____
Phillip D. Torrence

c: Glenn Toyoshima
Jeffrey A. Ott, Esq.

9944444.1

Glenn Toyoshima

*** FISMA & OMB Memorandum M-07-16 ***

November 4, 2011

Capitol Bancorp Ltd.
Capitol Bancorp Center
200 N Washington Square
Lansing, MI 48933

Attn: David O'Leary, Corporate Secretary

RE: SHAREHOLDER PROPOSAL AND SUPPORTING STATEMENT

Dear Mr. O'Leary:

I hereby submit the attached shareholder proposal for inclusion in the proxy statement of Capitol Bancorp Ltd. (the "Company") pertaining to the annual meeting of shareholders to be held in 2011. A brief description of the business I desire to bring before the annual meeting and all material information relating thereto is set forth in the attached proposal and supporting statement. The reasons for considering this proposal at the annual meeting are that I believe that this matter is of significant importance to all shareholders and considering this matter at the annual meeting will avoid the expense and distraction to the Company of calling a special meeting and printing and mailing shareholder materials relating to a special meeting. I have no material interest in the proposed business.

I have continuously held at least \$2,000.00 in market value of the Company's securities to be voted on the proposal at the meeting for at least one year. I intend to continue to hold these securities through the date of the 2011 shareholder meeting.

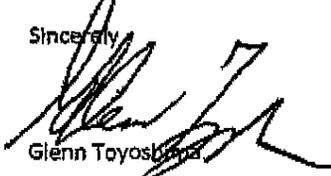
My shareholder information is as follows:

Shareholder Name	Address	Number of Shares
Glenn Toyoshima	*** FISMA & OMB Memorandum M-07-16 ***	4,807

For your convenience, enclosed is photocopy of a share certificate issued to me showing ownership of at least the minimum required number of shares.

Please include the attached shareholder proposal and supporting statement in the proxy statement pertaining to the annual meeting of shareholders to be held in 2011. Thank you.

Sincerely,


Glenn Toyoshima

Enclosures
1727148

SHAREHOLDER PROPOSAL

RESOLVED, that the shareholders of Capitol Bancorp Ltd. ("Capitol") hereby request that the Board of Directors ("Board") take the necessary steps to declassify the Board so that all directors are elected on an annual basis, beginning as soon as reasonably possible. The Board declassification shall be completed in a manner that does not affect unexpired terms of the previously-elected Directors.

SUPPORTING STATEMENT

We believe that the annual election of all directors encourages board accountability to its shareholder constituents. Currently, the Board of Capitol is divided into three classes serving staggered three-year terms. Consequently, the shareholders only elect one-third of the directors every year. It is our belief that the classification of the Board is not in the best interests of Capitol and its shareholders because a classified board protects the incumbency of the Board, which in turn dilutes the voice of the shareholders and limits the Board's accountability to shareholders.

Classified boards like ours have become increasingly unpopular in recent years, as investors, interest groups, and directors are striving to implement best practice corporate governance policies at corporations. The declassification of the Board is a step towards the implementation of best practice corporate governance policies at Capitol. The elimination of the staggered Board would require each director to stand for election annually. We believe that this annual accountability would serve to keep each director closely focused on performance and the maximization of shareholder value. Moreover, the declassification of the Board will provide the shareholders with a greater voice in the governance of Capitol.

For improved corporate governance and Board accountability at Capitol, and the annual election of our Board, we ask shareholders to vote YES on this proposal.

Page 6 redacted for the following reason:

*** FISMA & OMB Memorandum M-07-16 ***