UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-4561

DIVISION OF
CORPORATION FINANCE

November 28, 2011

Philip D. Torrence
Honigman Miller Schwartz and Cohn LLP
PTorrence@honigman.com

Re: Capitol Bancorp Ltd.
Incoming letter dated November 8, 2011

Dear Mr. Torrence:

This is in response to your letter dated November 8, 2011 concerning the shareholder proposal submitted to Capitol by Glenn Toyoshima. We also have received a letter on the proponent's behalf dated November 10, 2011. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Jonathan A. Ingram
Deputy Chief Counsel

Enclosures

cc: Jeffrey A. Ott
Warner Norcross & Judd LLP
jott@wnj.com

November 28, 2011

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Capitol Bancorp Ltd.
Incoming letter dated November 8, 2011

The proposal relates to the board of directors.

We are unable to concur in your view that Capitol may exclude the proposal under rules 14a-8(b) and 14a-8(f). Accordingly, we do not believe that Capitol may omit the proposal from its proxy materials in reliance on rules 14a-8(b) and 14a-8(f).

We note that Capitol did not file its statement of objections to including the proposal in its proxy materials at least 80 calendar days before the date on which it filed definitive proxy materials as required by rule 14a-8(j). Noting the circumstances of the delay, we do not waive the 80-day requirement.

Sincerely,

Mark F. Vilardo
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.

Warner Norcross&Judd LLP
ATTORNEYS AT LAW

JEFFREY A. OTT

616.752.2170
FAX 616.222.2170

jott@wnj.com

November 10, 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**
Response Regarding Shareholder Proposal of Glenn Toyoshima

Dear Sir or Madam:

We are writing on behalf of Glenn Toyoshima, a shareholder of Capitol Bancorp Ltd., a Michigan corporation ("Capitol"), in response to Capitol's letter dated November 8, 2011 requesting that the Staff concur that it will take no action if Capitol excludes a shareholder proposal submitted by Mr. Toyoshima from Capitol's 2011 proxy materials.

For the reasons set forth below, we believe Mr. Toyoshima has satisfied the requirements of Rule 14a-8(b)(1). Therefore, we believe it would be improper for Capitol to exclude Mr. Toyoshima's shareholder proposal from its 2011 proxy materials.

I. The Proposal

Mr. Toyoshima's shareholder proposal (the "Proposal") requests that the Board of Directors of Capitol take necessary steps to declassify the Board so that all directors are elected on an annual basis, beginning as soon as reasonably possible. The Proposal also states that the Board declassification shall be completed in a manner that does not affect unexpired terms of the previously elected directors.

II. Background

Capitol has historically held its annual meeting of shareholders in April of each year. For that reason, on November 18, 2010, Mr. Toyoshima submitted the Proposal for inclusion in Capitol's 2011 proxy materials in compliance with the deadline set forth in Rule 14a-8(e). At

the time the Proposal was submitted in November, 2010, Mr. Toyoshima held 4,807 shares of Capitol's common stock, the same number that he holds today. Based on the sale price of Capitol's common stock on November 16, 2010 of $.90 per share, the value of the shares held by Mr. Toyoshima was $4,326.30. Therefore, Mr. Toyoshima satisfied the requirement of Rule 14a-8(b)(1) that he hold at least $2,000 in market value of securities. Capitol never objected to the shareholder proposal at that time and took no action whatsoever to try and exclude the shareholder proposal from its 2011 annual meeting proxy materials.

Subsequently, Capitol decided in its discretion to delay the traditional date of its annual meeting of shareholders and did not hold an annual meeting in April of 2011. Rather, not until October 26, 2011 did Capitol announce that it intended to hold its 2011 annual meeting of shareholders on December 8, 2011. The announcement was made only 15 days prior to the date that Capitol indicated it intended to mail its proxy materials for the December 2011 annual meeting.

On November 4, 2011, Mr. Toyoshima gave his second notice of his Proposal to Capitol for inclusion in its proxy materials with respect to the 2011 annual meeting, again in compliance with Rule 14a-8(e).

III. Mr. Toyoshima held more than $2,000 in value of Capitol common stock at the time the shareholder proposal was submitted.

As indicated above, Mr. Toyoshima submitted his Proposal in compliance with the deadline for the Proposal to be included in Capitol's 2011 Proxy materials on November 18, 2010. At that time, Mr. Toyoshima held more than double the $2,000 in value of Capitol common stock necessary to satisfy the eligibility threshold set forth in Rule 14a-8(b)(1).

Capitol has had almost a year's notice that Mr. Toyoshima wanted the Proposal included in Capitol's 2011 annual meeting proxy materials. Such amount of advance notice is clearly a reasonable amount of time before Capitol desires to begin printing its proxy materials with respect to the delayed meeting. The fact that Capitol of its own volition determined to delay the date of the annual meeting should not negate the notice given by Mr. Toyoshima almost a year ago at a time when he clearly satisfied the $2,000 threshold required by Rule 14a-8(b)(1). Capitol cannot argue that it has in any way been prejudiced by almost a year's notice. Moreover, Capitol should not be permitted to manipulate the date of its annual meeting to take advantage of declines in the value of its stock and arbitrarily exclude otherwise permissible shareholder proposals.

Capitol's Bylaws include an advance notice provision for shareholder proposals. That notice provision includes a not-earlier-than date and also a not-later-than date for notices of shareholder proposals relating to regularly scheduled annual meetings. Importantly, that advance notice provision does not include a not-earlier-than date with respect to a delayed annual meeting. Section 1.4 of Capitol's Bylaws provides "in the event that the annual meeting is called for a date that is not within 20 days before or after [the anniversary date of the immediately preceding annual meeting], such notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting is mailed, transmitted electronically, or public disclosure of the date of the meeting is made, whichever occurs first." This provision does not set any date before which a notice cannot be received. Therefore, Mr. Toyoshima's notice was timely given and, when given, on November 18, 2010, Mr. Toyoshima satisfied the eligibility requirement set forth in Rule 14a-8(b)(1).

IV. The Staff should not apply Staff Legal Bulletin No. 14 (July 13, 2001) to a second notice of a shareholder proposal relating to the same meeting because it would arbitrarily disenfranchise shareholders.

In Staff Legal Bulletin No. 14 (July 13, 2001), the Staff addressed certain issues relating to shareholder proposals. That bulletin specifically indicates that it represents the views of the Division of Corporation Finance and that the provisions of that bulletin are not a "rule, regulation or statement of the Securities and Exchange Commission." We believe the principles set forth in Staff Legal Bulletin No. 14, if applied to a second notice with respect to the same meeting, would produce unanticipated results in this case and lead to an unjust outcome.

In Section C.1.a of Staff Legal Bulletin No. 14, the Staff indicated that, for purposes of determining whether a shareholder satisfies the $2,000 threshold set forth in Rule 14a-8(b)(1), the Staff generally looks at whether, on any date within sixty calendar days before the date the shareholder submits the proposal, the shareholder's investment is valued at $2,000 or greater. As indicated above, when Mr. Toyoshima originally submitted his proposal, he satisfied the principles set forth in Section C.1.a of Staff Legal Bulletin No. 14.

Since that time, however, the price of Capitol's common stock has dramatically declined. For example, the price of $.12 per share referenced in Capitol's response to the Staff represents approximately 13% of the value of Capitol's stock compared to the high price of $.90 per share during the last 52 weeks.

If the Staff were to apply the principles set forth in Staff Legal Bulletin No. 14 to the second notice submitted by Mr. Toyoshima with respect to the same meeting, it would permit a

company to arbitrarily delay the date of its annual meeting after it had received notice of a proper shareholder proposal until stock price fluctuation results in that shareholder no longer being eligible to submit a proposal. This type of manipulative action is not consistent with giving shareholders a reasonable avenue to effect shareholder action. Moreover, because of the one-year holding period required by Rule 14a-8, a shareholder would be powerless to protect his or her eligibility so that the shareholder could insure that his or her proposal does in fact get presented at an annual meeting.

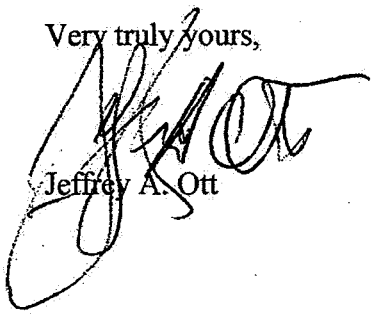
We believe the current situation is unique and represents a very small and unanticipated set of circumstances in which it would be unjust to look to only the sixty day period immediately before the shareholder's second notice for purposes of determining eligibility under Rule 14a-8(b)(1). In these circumstances, we believe the Staff should look at the entire period beginning sixty days before the date of the first notice relating to the same meeting through the date of the second notice for purposes of determining eligibility with respect to the $2,000 threshold.

IV. Conclusion

For the reasons set forth above, we believe Mr. Toyoshima has met the eligibility requirements set forth in Rule 14a-8(b)(1) with respect to the Proposal. We therefore respectfully request that the Staff reject the analysis set forth in Capitol's response and inform Capitol that the Staff cannot state that the Staff would not take enforcement action if Capitol were to exclude the proposal from Capitol's 2011 proxy materials.

We appreciate your attention to this request. Should you have any questions, please contact me at 616-752-2170 or jott@wnj.com.

Very truly yours,



Jeffrey A. Ott

JAO/as

c: Capitol Bancorp Ltd.
Phillip D. Torrence, Esq.

HONIGMAN

Honigman Miller Schwartz and Cohn LLP
Attorneys and Counselors

Phillip D. Torrence

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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."

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.

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