



Form ADV Part 2A Brochure

March 31, 2012

Traynor Capital Management

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This Brochure provides information about the qualifications and business practices of Traynor Capital Management. Currently, our Brochure may be requested free of charge by contacting Keith Traynor at (610) 993-9050 or you can email us at keith@traynorcapitalmanagement.com. Our Brochure is also available on our web site, www.traynorcapitalmanagement.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Traynor Capital Management is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Traynor Capital Management also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This brochure dated March 31, 2011 is a new document prepared according to the SEC's new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure. Pursuant to new SEC rules, we will ensure that a summary of any material changes to this and subsequent brochures within 120 days of the end of our fiscal year.

Since the last version of our brochure, there have been no material changes.

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Item 4 – Advisory Business

The Company

Traynor Capital Management is a privately owned investment management firm, established in 2006 by Keith T. Traynor. Prior to 2006, Keith Traynor had worked with private client groups of two national investment firms for the previous 15 years. As of December 31, 2011, Traynor Capital Management managed \$34,284,685 on a discretionary basis and \$5,940,432 on a nondiscretionary basis. Traynor Capital Management also provides advisory services for 401k plans; these assets are not included in this total.

Investment Services

The primary focus of Traynor Capital Management is twofold: providing outstanding service for our clients and achieving continued success with our investment strategies.

Our investment philosophy is very simple: to develop and maintain superior investment strategies to help each client meet their particular needs. Our investment solutions cover multiple asset classes and complementary investment styles, based upon the ongoing needs and goals of our clients and overall market conditions.

Traynor Capital Management was created to provide the ideal environment to allow our clients to grow and protect their wealth. The expertise of Traynor Capital Management and the resources of our custodian, will give you all that you need to achieve your financial objectives. Our portfolio strategies are built upon traditional equity and fixed income holdings, those of the highest quality. Our portfolio strategies are direct and transparent – our clients know what they own, know what they pay, and know what they earn.

For each and every client, we take into account our clients' investment objectives, risk tolerance, tax considerations, and all other pertinent factors. While we customize each portfolio strategy to fit the needs of each client, accounts managed according to similar strategies may be similar in composition. In addition to ongoing portfolio management, we provide wealth transfer solutions, retirement income planning, cash management and all other aspects within our scope as an investment advisory firm. When necessary, we may refer certain services out to third party professionals.

Traynor Capital Management will always place the interests of our clients ahead of anything else.

Portfolio Management

Our primary equity strategies will focus on four main categories: Large Cap, Mid Cap, Small Cap and International. The majority of our portfolios are built with direct stock ownership, which allows

our clients to obtain advantages in areas, such as portfolio management costs, income and greater tax efficiency.

Our primary fixed income strategies utilizes corporate/government bonds, debt preferred securities, exchange-traded funds and closed-end funds.

These portfolios will typically contain 20-30 holdings. Our investment discipline and expertise requires a continual proactive approach with our portfolios. Traynor Capital Management is built and maintained a high level of integrity and trust with our clients. We do not receive any compensation for any investment products, nor do we receive any transactional commissions. Our interests are aligned with that of our trusted clients.

Our equity portfolios are built with high quality companies which have outstanding growth potential, along with solid financial structure. Our security selection process is a multi-step process that thoroughly evaluates companies with our proprietary methodology. This methodology is built upon evaluating a company's industry potential, earnings growth projections, company leadership and valuation.

Securities can be removed from a portfolio for a variety of reasons including profit taking, negative earnings report, and downward guidance by analysts, etc.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by Traynor Capital Management is established in a client's written agreement with Traynor Capital Management. Our investment advisory fees are determined by many factors, including, but not limited to, a client's investment objectives, the size of the investment portfolio to be managed, any applicable portfolio restrictions, and the scope of the overall engagement.

Traynor Capital Management will generally bill its fees on a quarterly basis. Clients may elect to be billed in advance or arrears each calendar quarter. Clients will authorize Traynor Capital Management to directly debit quarterly fees from client accounts. Management fees shall [or shall not] be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Traynor Capital Management will send each client a written invoice itemizing the fee, including any formulae used to calculate the fee, the time period covered by the fee, and the amount of assets under management under which the fee is based.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Our annual fee for the services provided under the Investment Management Agreement shall be a percentage of the market value of the Assets under our management in accordance with the fee schedule within Investment Management Agreement. The management fee for the initial period shall be prorated and paid in arrears and subsequent periods shall be prorated, and paid in advance, based upon the market value of the Assets on the last day off each quarter. No portion of the management fee shall be based upon capital gains or capital appreciation except as provided herein and provided for under the Investment Advisers Act of 1940. No increase in management fee shall be effective without prior written notification to the client.

Traynor Capital Management's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Traynor Capital Management's fee, and Traynor Capital Management shall not receive any portion of these commissions, fees, and costs.

The fee schedule applicable as of this Brochure is as follows:

Investment Account Advisory Fees

Client Assets	Annual Fee (%) for all assets
Up to \$500,000	1.50%
\$500,000 - \$1,000,000	1.25%
\$1,000,000-\$2,500,000	1.00%
\$2,500,000-\$5,000,000	0.75%
On all assets exceeding \$5,000,000	TBD

Retirement Plan Fees

Client Assets	Annual Fee (%) for all assets
Up to \$5,000,000	0.50%
\$5,000,000-\$20,000,000	0.40%

\$20,000,000-\$50,000,000	0.35%
Over \$50,000,000	0.20%

Item 6 – Performance-Based Fees and Side-By-Side Management

Traynor Capital Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Traynor Capital Management provides portfolio management services to individuals, high net worth individuals, corporate pension, 401k and profit-sharing plans, plans, charitable institutions, foundations, endowments, among others.

Traynor Capital Management will direct marketing efforts towards high net worth individuals, but we will not enforce an account minimum. Our services will be offered to referrals from our current clients, as well as other individuals, business owners and corporations that can benefit from our investment advisory services.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and past performance may not be indicative of future results. Historical performance results for investment indices and/or categories will be provided for general comparison purposes only. It should not be assumed that overall account holdings will correspond directly to any indices.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Traynor Capital Management or the integrity of Traynor Capital Management's management. Traynor Capital Management has no information applicable to this Item.

Our founder and principal, Keith Traynor, has not had any civil or criminal actions brought against him, nor has he had any administrative proceedings before any state, federal, or foreign financial regulatory authority

Item 10 – Other Financial Industry Activities and Affiliations

Traynor Capital Management has no activities or affiliations applicable to this item.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Traynor Capital Management has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Traynor Capital Management must acknowledge the terms of the Code of Ethics annually, or as amended.

Traynor Capital Management anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Traynor Capital Management has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Traynor Capital Management, its affiliates and/or clients, directly or indirectly, have a position of interest.. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Traynor Capital Management will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a

possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Traynor Capital Management and its clients.

Traynor Capital Management's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Traynor Capital Management at (888) 987-2966.

Item 12 – Brokerage Practices

Traynor Capital Management makes investment decisions and arranges for the placement of buy and sell orders and the execution of portfolio transactions for all client accounts. Traynor Capital Management, in its sole discretion, unless otherwise provided, directs the execution of all securities transactions through custodial firms of its choosing. Our primary custodian is Fidelity Institutional, while we also advise on accounts maintained at Schwab and other highly reputable clearing firms.

Traynor Capital Management uses its best efforts to obtain execution of securities transactions at prices that are advantageous to our clients. Traynor Capital Management receives research, statistical and quotation services, data, and other services that assist our firm with its investment advisory and fiduciary responsibilities. The average transaction cost for our client accounts ranks amongst the lowest within the financial services industry.

Item 13 – Review of Accounts

All of our custodian/broker dealer firms provide monthly account statements. These statements are the official record of your investment accounts and should be reviewed on a continual basis by each client.

In addition to monthly investment statements from our custodian, Traynor Capital Management also will provide detailed account performance reviews and summaries of portfolio holdings. These reports are not your official statements. These reports are generated to give our clients greater detail with all aspects to their investment accounts.

Our detailed investment reports are made available on a quarterly basis, as well as when needed. Account reviews are conducted no less frequently than quarterly. Account reviews focus on the

account's allocation among asset classes and/or individual securities, as applicable, and whether any changes are necessary, consistent with the account's long-term investment objective. Significant market, economic, or political developments may trigger special account reviews, but generally will not result in immediate changes in the account. Reporting systems based on data provided by account custodians are used to review account positions.

Traynor Capital Management will review certain reports on a daily basis. These reports give us extensive overall detail of client accounts, positions, realized gains, etc. and assist with ongoing maintenance of our clients' accounts.

Keith T. Traynor handles all client reviews, and has responsibility for investment decisions on all assets with discretionary authority.

Item 14 – Client Referrals and Other Compensation

Traynor Capital Management does not receive any direct compensation or commissions from any broker, broker-dealer, insurance company or agent, bank, trust company or any institution. Our firm does receive indirect economic benefits as valued added services, which benefit clients directly and indirectly. These services include confirmations, research reports, compliance updates, industry seminars, etc.

Item 15 – Custody

Clients should receive monthly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Traynor Capital Management urges you to carefully review such statements and compare such official custodial records to the account reports that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Traynor Capital Management manages and trades in client portfolios through the Limited Power of Attorney granted by the client through our firms' Investment Management Agreement and the custodial application, both of which are signed by client at the time that the account is established.

The client and our firm will develop an investment policy statement. This process will help to identify investment objectives, risk tolerance, income needs, taxation and any other pertinent issues relating to client/adviser relationship.

Traynor Capital Management usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Traynor Capital Management will adhere to investment policy created through various meetings and discussions with each client.

Traynor Capital Management's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Traynor Capital Management in writing.

Item 17 – Voting Client Securities

Traynor Capital Management offers to vote proxies for its clients. These votes are aligned with the clients' best economic interest. We will support management recommendations on proxy issues, unless it is believed to be inconsistent with our investment objectives.

Clients may obtain a copy of Traynor Capital Management's complete proxy voting policies and procedures upon request. Clients may also obtain information from Traynor Capital Management about how our firm voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Traynor Capital Management's financial condition. Traynor Capital Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State Registered Advisers

A. Educational Background and Business Experience

Keith T. Traynor, Owner of Traynor Capital Management (born 1969).

Mr. Traynor graduated from Pennsylvania State University with a bachelor's degree in Speech Communication and minor in Finance. Mr. Traynor was employed with private client group as First Vice President – Investments with Merrill Lynch in Wayne, PA from 1991 through 2001.

From 2001-2003, Mr. Traynor worked in the same capacity with Prudential Securities in Malvern, PA. From 2003 – 2005, Mr. Traynor worked with Wachovia Securities in Radnor, PA (acquired Prudential Securities).

Industry Exam/Licensing

Series 7, General Securities Representative	1991
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Series 6, Investment Company Products	1991
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Series 63, Uniform Securities Agent State Law Examination	1991
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Series 65, Uniform Investment Adviser Examination	1995
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Professional Designation

Certified Financial Planner Designation, CFP®	2004
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B. Outside Business Activities

Neither Traynor Capital Management, or its owner, Keith T. Traynor, are involved in any outside business activities.

C. Performance Based Fees

Traynor Capital Management is not involved with any performance based fees.

D. Dispute Disclosure

Date of Notice 5/13/2002

Client vs Merrill Lynch and Keith T. Traynor

Client filed a claim against respondents alleging churning, negligence, failure to supervise, etc. Client's overall monetary claim was in excess of \$850,000.

Arbitration panel awarded monetary damages in the amount of \$46,000. This monetary award represented 7% of the clients' statement of claim. Claimants attorneys failed to prove any factual wrongdoing on behalf of Keith T. Traynor. Mr. Traynor was not required to pay any portion of monetary damages.

Client's account earned 11%+ for the entire period. Over the seven year relationship, the client earned net profits of \$270,000. Claimant withdrew in excess of \$550,000 from accounts from 1994-2001. This was the primary reason why there was a decline in account value. Arbitration panel did not feel that these withdrawals were pertinent to this arbitration claim.

E. Relationship/Arrangement with issuer of securities

Traynor Capital Management does not maintain any relationships or arrangements with any issuers of securities in any capacity. As an independent advisory firm, Traynor Capital Management does not receive any compensation from any outside entity.

