

Morningstar, Inc.
Form 4
July 25, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Williams David W

(Last) (First) (Middle)

C/O MORNINGSTAR, INC., 225
WEST WACKER DRIVE

(Street)

CHICAGO, IL 60606

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Morningstar, Inc. [MORN]

3. Date of Earliest Transaction
(Month/Day/Year)

07/23/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)

Managing Director, Design

6. Individual or Joint/Group Filing(Check Applicable Line)

X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)			
				Code	V	Amount	Price			
Common Stock	07/23/2007		M		1,299	A	\$ 20.2713	26,767	D	
							(3)			
Common Stock	07/23/2007		M		373	A	\$ 20.2713	27,140	D	
							(3)			
Common Stock	07/23/2007		S ⁽¹⁾		44	D	\$ 49.48	27,096	D	
Common Stock	07/23/2007		S ⁽¹⁾		88	D	\$ 49.5	27,008	D	
	07/23/2007		S ⁽¹⁾		176	D	\$ 49.55	26,832	D	

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Common Stock							
Common Stock	07/23/2007	S ⁽¹⁾	88	D	\$ 49.62	26,744	D
Common Stock	07/23/2007	S ⁽¹⁾	220	D	\$ 49.66	26,524	D
Common Stock	07/23/2007	S ⁽¹⁾	88	D	\$ 49.71	26,436	D
Common Stock	07/23/2007	S ⁽¹⁾	44	D	\$ 49.72	26,392	D
Common Stock	07/23/2007	S ⁽¹⁾	132	D	\$ 50.01	26,260	D
Common Stock	07/23/2007	S ⁽¹⁾	31	D	\$ 50.02	26,229	D
Common Stock	07/23/2007	S ⁽¹⁾	44	D	\$ 50.03	26,185	D
Common Stock	07/23/2007	S ⁽¹⁾	88	D	\$ 50.04	26,097	D
Common Stock	07/23/2007	S ⁽¹⁾	264	D	\$ 50.05	25,833	D
Common Stock	07/23/2007	S ⁽¹⁾	176	D	\$ 50.06	25,657	D
Common Stock	07/23/2007	S ⁽¹⁾	145	D	\$ 50.07	25,512	D
Common Stock	07/23/2007	S ⁽¹⁾	44	D	\$ 50.08	25,468	D
Common Stock	07/24/2007	M	700	A	\$ 20.2736 ⁽⁴⁾	26,148	D
Common Stock	07/24/2007	S ⁽¹⁾	700	D	\$ 49.42	25,468	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. D
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 20.2713 ⁽³⁾	07/23/2007			M		1,299		⁽²⁾	05/02/2015	Common Stock	1,299
Employee Stock Option (Right to Buy)	\$ 20.2713 ⁽³⁾	07/23/2007			M		373		⁽²⁾	05/02/2015	Common Stock	373
Employee Stock Option (Right to Buy)	\$ 20.2736 ⁽⁴⁾	07/24/2007			M		700		⁽²⁾	05/02/2015	Common Stock	700

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Williams David W C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606			Managing Director, Design	

Signatures

/s/ D. Scott Schilling, by power of attorney

07/25/2007

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on March 21, 2007.

(2) The options became exercisable in four equal installments on May 2, 2006, 2007, 2008, and 2009.

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- (3) The exercise price increases over the term of the option at a rate equal to the 10-year Treasury bond yield as of the date of grant (\$18.50).
On July 23, 2007, the exercise price was \$20.2713.
- (4) The exercise price increases over the term of the option at a rate equal to the 10-year Treasury bond yield as of the date of grant (\$18.50).
On July 24, 2007, the exercise price was \$20.2736.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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