Morningstar, Inc. Form 4 February 11, 2008

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

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

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3235-0287

January 31,

2005

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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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Phillips Donald James II Issuer Symbol Morningstar, Inc. [MORN] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) _X__ Director 10% Owner X_ Officer (give title Other (specify C/O MORNINGSTAR, INC., 225 02/07/2008 below) below) WEST WACKER DRIVE Managing Director (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting CHICAGO, IL 60606 Person

(City)	(State)	(Zip) Table	e I - Non-D	erivative S	Securi	ties Acqu	ired, Disposed of	, or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securities Acquired assaction(A) or Disposed of (D) e (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	or (D)	Price	Transaction(s) (Instr. 3 and 4)		
Common Stock	02/07/2008		M	9,500	A	\$ 2.77	316,036	D	
Common Stock	02/07/2008		M	10,210	A	\$ 2.77	326,246	D	
Common Stock	02/07/2008		M	4,790	A	\$ 14.13	331,036	D	
Common Stock	02/07/2008		S <u>(1)</u>	100	D	\$ 62.39	340,436	D	
Common Stock	02/07/2008		S <u>(1)</u>	100	D	\$ 62.42	340,336	D	

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Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 62.46	340,236	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 62.5	340,136	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 62.55	340,036	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 62.58	339,936	D
Common Stock	02/07/2008	S <u>(1)</u>	200	D	\$ 62.59	339,736	D
Common Stock	02/07/2008	S <u>(1)</u>	1	D	\$ 62.6	339,735	D
Common Stock	02/07/2008	S <u>(1)</u>	99	D	\$ 62.62	339,636	D
Common Stock	02/07/2008	S <u>(1)</u>	300	D	\$ 62.63	339,336	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 62.64	339,236	D
Common Stock	02/07/2008	S <u>(1)</u>	200	D	\$ 62.65	339,036	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 62.73	338,936	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 62.77	338,836	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 62.83	338,736	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 62.9	338,636	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 62.97	338,536	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 63.06	338,436	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 63.07	338,336	D
Common Stock	02/07/2008	S <u>(1)</u>	200	D	\$ 63.08	338,136	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 63.09	338,036	D
Common Stock	02/07/2008	S <u>(1)</u>	100	D	\$ 63.14	337,936	D
	02/07/2008	S(1)	363	D		337,573	D

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Common Stock					\$ 63.16		
Common Stock	02/07/2008	S(1)	100	D	\$ 63.17	337,473	D
Common Stock	02/07/2008	S(1)	900	D	\$ 63.18	336,573	D
Common Stock	02/07/2008	S(1)	200	D	\$ 63.19	336,373	D
Common Stock	02/07/2008	S <u>(1)</u>	200	D	\$ 63.2	336,173	D

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

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SEC 1474 (9-02)

 $\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 2.77	02/07/2008		M		9,500 (2)	<u>(4)</u>	02/15/2009	Common	9,500
Employee Stock Option (Right to Buy)	\$ 2.77	02/07/2008		M		10,210 (2)	<u>(4)</u>	02/15/2009	Common	10,210
Employee Stock Option (Right to Buy)	\$ 14.13	02/07/2008		M		4,790	(3)	05/01/2011	Common	4,790

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

Phillips Donald James II

C/O MORNINGSTAR, INC.
225 WEST WACKER DRIVE

CHICAGO, IL 60606

Signatures

/s/ Heidi Miller, by power of attorney

02/11/2008

**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 May 9, 2006.
- Pursuant to the terms of a Deferred Compensation Agreement entered into between Morningstar, Inc. and the reporting person, upon the exercise of these options Morningstar, Inc. will pay to the reporting person \$2.69 per share in the form of cash.
- (3) The options became exercisable in four equal installments on May 1, 2001, 2002, 2003, and 2004.
- (4) The options immediately vested on the grant date.

Remarks:

Form 1 of 3

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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