Phillips Donald James II Form 4 May 06, 2008

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

January 31, 2005

0.5

Estimated average burden hours per

OMB APPROVAL

response...

if no longer subject to Section 16. Form 4 or Form 5 obligations

may continue.

See Instruction

Check this box

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

2. Issuer Name and Ticker or Trading

Morningstar, Inc. [MORN]

3. Date of Earliest Transaction

Symbol

1(b).

(Last)

Common

Stock

05/02/2008

(Print or Type Responses)

Phillips Donald James II

1. Name and Address of Reporting Person *

(First)

(Middle)

	IINGSTAR, INC., 225 CKER DRIVE	(Month/Da 05/02/20	•	ansaction			_X_ Director _X_ Officer (give below)		Owner er (specify
CHICAGO	mendment, Date Original Month/Day/Year)				6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person				
(City)	(State) (Zip)	Table	e I - Non-D	erivative	Secur	rities Acq	uired, Disposed of	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	any	Deemed attion Date, if th/Day/Year)	3. Transactic Code (Instr. 8)	4. Securi or(A) or D (Instr. 3,	ispose 4 and (A) or	d of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	
Common Stock	05/02/2008		M	5,000	A	\$ 14.13	311,536	D	
Common Stock							32,500	I	By GRAT
Common Stock	05/02/2008		S(1)	500	D	\$ 64.94	311,036	D	
Common Stock	05/02/2008		S(1)	200	D	\$ 65.72	310,836	D	

 $S^{(1)}$

200

D

\$ 65.8 310,636

D

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Common Stock	05/02/2008	S <u>(1)</u>	200	D	\$ 65.86	310,436	D
Common Stock	05/02/2008	S <u>(1)</u>	500	D	\$ 65.95	309,936	D
Common Stock	05/02/2008	S(1)	500	D	\$ 66	309,436	D
Common Stock	05/02/2008	S <u>(1)</u>	151	D	\$ 66.42	309,285	D
Common Stock	05/02/2008	S <u>(1)</u>	49	D	\$ 66.44	309,236	D
Common Stock	05/02/2008	S <u>(1)</u>	200	D	\$ 66.75	309,036	D
Common Stock	05/02/2008	S <u>(1)</u>	500	D	\$ 72	308,536	D
Common Stock	05/02/2008	S <u>(1)</u>	300	D	\$ 72.04	308,236	D
Common Stock	05/02/2008	S <u>(1)</u>	200	D	\$ 72.08	308,036	D
Common Stock	05/02/2008	S <u>(1)</u>	400	D	\$ 72.12	307,636	D
Common Stock	05/02/2008	S <u>(1)</u>	500	D	\$ 72.15	307,136	D
Common Stock	05/02/2008	S <u>(1)</u>	300	D	\$ 72.18	306,836	D
Common Stock	05/02/2008	S <u>(1)</u>	300	D	\$ 72.23	306,536	D

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

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

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5. Number	6. Date Exercisable and	7. Title and Amount of	8
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	onof Derivative	Expiration Date	Underlying Securities	Γ
Security	or Exercise		any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)	S
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Acquired			(
	Derivative				(A) or			
	Security				Disposed of			
					(D)			
					(Instr. 3, 4,			

and 5)

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			Code V (A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 14.13	05/02/2008	M	5,000	<u>(2)</u>	05/01/2010	Common Stock	5,000

Reporting Owners

Reporting Owner Name / Address	Relationships					
Treporting O Whor I want of I want of	Director	10% Owner	Officer	Other		
Phillips Donald James II C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606	X		Managing Director			

Signatures

/s/ Heidi Miller, by power of attorney 05/06/2008

**Signature of Reporting Person Da

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.
- (2) The options became exercisable in four equal installments on May 1, 2001, 2002, 2003, and 2004.

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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