

Morningstar, Inc.
Form 4
April 07, 2008

FORM 4

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Phillips Donald James II

(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)

04/03/2008

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify
below)

Managing Director

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ 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	(A) or (D)	Price		
Common Stock	04/03/2008		M		9,500	A	\$ 2.77	329,536	D
Common Stock	04/03/2008		M		15,000	A	\$ 14.13	344,536	D
Common Stock	04/03/2008		S ⁽¹⁾		55	D	\$ 66.01	344,481	D
Common Stock	04/03/2008		S ⁽¹⁾		25	D	\$ 66.02	344,456	D
Common Stock	04/03/2008		S ⁽¹⁾		100	D	\$ 66.03	344,356	D

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Common Stock	04/03/2008	<u>S(1)</u>	21	D	\$ 66.05	344,335	D
Common Stock	04/03/2008	<u>S(1)</u>	79	D	\$ 66.06	344,256	D
Common Stock	04/03/2008	<u>S(1)</u>	200	D	\$ 66.09	344,056	D
Common Stock	04/03/2008	<u>S(1)</u>	100	D	\$ 66.1	343,956	D
Common Stock	04/03/2008	<u>S(1)</u>	200	D	\$ 66.11	343,756	D
Common Stock	04/03/2008	<u>S(1)</u>	300	D	\$ 66.13	343,456	D
Common Stock	04/03/2008	<u>S(1)</u>	400	D	\$ 66.14	343,056	D
Common Stock	04/03/2008	<u>S(1)</u>	300	D	\$ 66.16	342,756	D
Common Stock	04/03/2008	<u>S(1)</u>	100	D	\$ 66.17	342,656	D
Common Stock	04/03/2008	<u>S(1)</u>	200	D	\$ 66.18	342,456	D
Common Stock	04/03/2008	<u>S(1)</u>	100	D	\$ 66.19	342,356	D
Common Stock	04/03/2008	<u>S(1)</u>	400	D	\$ 66.2	341,956	D
Common Stock	04/03/2008	<u>S(1)</u>	100	D	\$ 66.21	341,856	D
Common Stock	04/03/2008	<u>S(1)</u>	300	D	\$ 66.22	341,556	D
Common Stock	04/03/2008	<u>S(1)</u>	200	D	\$ 66.23	341,356	D
Common Stock	04/03/2008	<u>S(1)</u>	300	D	\$ 66.24	341,056	D
Common Stock	04/03/2008	<u>S(1)</u>	100	D	\$ 66.25	340,956	D
Common Stock	04/03/2008	<u>S(1)</u>	100	D	\$ 66.26	340,856	D
Common Stock	04/03/2008	<u>S(1)</u>	200	D	\$ 66.27	340,656	D
Common Stock	04/03/2008	<u>S(1)</u>	400	D	\$ 66.28	340,256	D
	04/03/2008	<u>S(1)</u>	300	D		339,956	D

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Common Stock					\$ 66.29		
Common Stock	04/03/2008	S ⁽¹⁾	600	D	\$ 66.31	339,356	D
Common Stock	04/03/2008	S ⁽¹⁾	220	D	\$ 66.32	339,136	D
Common Stock	04/03/2008	S ⁽¹⁾	300	D	\$ 66.34	338,836	D
Common Stock	04/03/2008	S ⁽¹⁾	300	D	\$ 66.35	338,536	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 (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. Transaction Code (Instr. 8)	5. Number of Derivative 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	04/03/2008		M		9,500	(2)	(4)	02/15/2009	Common	9,500
Employee Stock Option (Right to Buy)	\$ 14.13	04/03/2008		M		15,000		(3)	05/01/2011	Common	15,000

Reporting Owners

Reporting Owner Name / Address

Relationships

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

04/07/2008

__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.
- (2) 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

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