

Williams David W
Form 4
May 07, 2008

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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

(Print or Type Responses)

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O MORNINGSTAR, INC., 225
WEST WACKER DRIVE

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
05/07/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Managing Director, Design

CHICAGO, IL 60606

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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	05/07/2008		M		2,000	A		\$ 16.9607 (3)
Common Stock	05/07/2008		S(1)		500	D		\$ 74.68
Common Stock	05/07/2008		S(1)		300	D		\$ 74.86
Common Stock	05/07/2008		S(1)		200	D		\$ 74.92
Common Stock	05/07/2008		S(1)		400	D		\$ 74.98

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Common Stock	05/07/2008	S ⁽¹⁾	200	D	\$ 75.02	43,573	D
Common Stock	05/07/2008	S ⁽¹⁾	100	D	\$ 75.19	43,473	D
Common Stock	05/07/2008	S ⁽¹⁾	200	D	\$ 75.28	43,273	D
Common Stock	05/07/2008	S ⁽¹⁾	100	D	\$ 75.29	43,173	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)

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)	8. Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 16.9607 ⁽³⁾	05/07/2008		M	2,000	⁽²⁾ 12/01/2014	Common Stock	2,000

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/ Heidi T. Miller, by power of
attorney

05/07/2008

__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 March 31, 2008.
 - (2) The options became exercisable in four equal installments on May 1, 2005, 2006, 2007, and 2008.
 - (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 (\$14.70). On May 7, 2008, the exercise price was \$16.9607.

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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