

Phillips Donald James II
Form 4
May 09, 2008

FORM 4

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

OMB APPROVAL

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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 *
Phillips Donald James II

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

3. Date of Earliest Transaction
(Month/Day/Year)
05/08/2008

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

(Street)
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 Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	
Common Stock	05/08/2008		M		17,500	A	\$ 14.13	
Common Stock							32,500	
							I	By GRAT
Common Stock	05/08/2008		S ⁽¹⁾		200	D	\$ 72.78	
Common Stock	05/08/2008		S ⁽¹⁾		100	D	\$ 72.83	
Common Stock	05/08/2008		S ⁽¹⁾		100	D	\$ 72.88	
							323,836	
							323,736	
							323,636	
							D	

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Common Stock	05/08/2008	<u>S(1)</u>	100	D	\$ 72.9	323,536	D
Common Stock	05/08/2008	<u>S(1)</u>	373	D	\$ 72.91	323,163	D
Common Stock	05/08/2008	<u>S(1)</u>	227	D	\$ 72.92	322,936	D
Common Stock	05/08/2008	<u>S(1)</u>	100	D	\$ 72.95	322,836	D
Common Stock	05/08/2008	<u>S(1)</u>	100	D	\$ 72.96	322,736	D
Common Stock	05/08/2008	<u>S(1)</u>	100	D	\$ 72.97	322,636	D
Common Stock	05/08/2008	<u>S(1)</u>	100	D	\$ 72.98	322,536	D
Common Stock	05/08/2008	<u>S(1)</u>	100	D	\$ 72.99	322,436	D
Common Stock	05/08/2008	<u>S(1)</u>	300	D	\$ 73	322,136	D
Common Stock	05/08/2008	<u>S(1)</u>	500	D	\$ 73.01	312,636	D
Common Stock	05/08/2008	<u>S(1)</u>	202	D	\$ 73.02	321,434	D
Common Stock	05/08/2008	<u>S(1)</u>	398	D	\$ 73.03	321,036	D
Common Stock	05/08/2008	<u>S(1)</u>	500	D	\$ 73.04	320,536	D
Common Stock	05/08/2008	<u>S(1)</u>	300	D	\$ 73.05	320,236	D
Common Stock	05/08/2008	<u>S(1)</u>	200	D	\$ 73.06	320,036	D
Common Stock	05/08/2008	<u>S(1)</u>	500	D	\$ 73.07	319,536	D
Common Stock	05/08/2008	<u>S(1)</u>	200	D	\$ 73.08	319,336	D
Common Stock	05/08/2008	<u>S(1)</u>	400	D	\$ 73.09	318,936	D
Common Stock	05/08/2008	<u>S(1)</u>	300	D	\$ 73.1	318,636	D
Common Stock	05/08/2008	<u>S(1)</u>	200	D	\$ 73.11	318,436	D
	05/08/2008	<u>S(1)</u>	200	D		318,236	D

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Common Stock					\$	73.12	
Common Stock	05/08/2008	S ⁽¹⁾	200	D	\$	73.13	318,036 D
Common Stock	05/08/2008	S ⁽¹⁾	100	D	\$	73.16	317,936 D
Common Stock	05/08/2008	S ⁽¹⁾	600	D	\$	73.17	317,336 D
Common Stock	05/08/2008	S ⁽¹⁾	200	D	\$	73.18	317,136 D

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

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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)	\$ 14.13	05/08/2008		M	17,500	⁽²⁾	05/01/2010	Common Stock	17,500

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

05/09/2008

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

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.
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