Morningstar, Inc. Form 4 July 25, 2007

# 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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Form 5
obligations
may continue.

See Instruction
1(b).

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 Number: 3235-0287

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(Print or Type Responses)

(Last)

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

(First) (Middle)

2. Issuer Name **and** Ticker or Trading Symbol

Morningstar, Inc. [MORN]

3. Date of Earliest Transaction (Month/Day/Year) 07/23/2007

C/O MORNINGSTAR, INC., 225 WEST WACKER DRIVE

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner \_\_\_ Sofficer (give title \_\_\_\_ Other (specify below) below)

Managing Director, Design

6. Individual or Joint/Group Filing(Check

Applicable Line)
\_X\_ Form filed by One Reporting Person
\_\_\_ Form filed by More than One Reporting

Person

### CHICAGO, IL 60606

(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) ctiomr Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)	(11101111)		
Common Stock	07/23/2007		M	1,299	A	\$ 20.2713 (3)	26,767	D		
Common Stock	07/23/2007		M	373	A	\$ 20.2713 (3)	27,140	D		
Common Stock	07/23/2007		S <u>(1)</u>	44	D	\$ 49.48	27,096	D		
Common Stock	07/23/2007		S <u>(1)</u>	88	D	\$ 49.5	27,008	D		
	07/23/2007		S(1)	176	D	\$ 49.55	26,832	D		

Common Stock							
Common Stock	07/23/2007	S <u>(1)</u>	88	D	\$ 49.62	26,744	D
Common Stock	07/23/2007	S(1)	220	D	\$ 49.66	26,524	D
Common Stock	07/23/2007	S(1)	88	D	\$ 49.71	26,436	D
Common Stock	07/23/2007	S(1)	44	D	\$ 49.72	26,392	D
Common Stock	07/23/2007	S(1)	132	D	\$ 50.01	26,260	D
Common Stock	07/23/2007	S(1)	31	D	\$ 50.02	26,229	D
Common Stock	07/23/2007	S <u>(1)</u>	44	D	\$ 50.03	26,185	D
Common Stock	07/23/2007	S <u>(1)</u>	88	D	\$ 50.04	26,097	D
Common Stock	07/23/2007	S(1)	264	D	\$ 50.05	25,833	D
Common Stock	07/23/2007	S(1)	176	D	\$ 50.06	25,657	D
Common Stock	07/23/2007	S(1)	145	D	\$ 50.07	25,512	D
Common Stock	07/23/2007	S(1)	44	D	\$ 50.08	25,468	D
Common Stock	07/24/2007	M	700	A	\$ 20.2736 (4)	26,148	D
Common Stock	07/24/2007	S(1)	700	D	\$ 49.42	25,468	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	2.	3. Transaction Date	3A. Deemed	4.	5. Number	6. Date Exercisable and	7. Title and Amount of
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	nof Derivative	Expiration Date	Underlying Securities I
Security	or Exercise		any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr.	8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 20.2713 (3)	07/23/2007		M			1,299	(2)	05/02/2015	Common Stock	1,299
Employee Stock Option (Right to Buy)	\$ 20.2713 ( <u>3)</u>	07/23/2007		M			373	(2)	05/02/2015	Common Stock	373
Employee Stock Option (Right to Buy)	\$ 20.2736 (4)	07/24/2007		M			700	(2)	05/02/2015	Common Stock	700

# **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/ D. Scott Schilling, by power of attorney 07/25/2007

\*\*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 21, 2007
- (2) The options became exercisable in four equal installments on May 2, 2006, 2007, 2008, and 2009.

Reporting Owners 3

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- (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 (\$18.50). On July 23. 2007, the exercise price was \$20.2713.
- (4) 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 (\$18.50). On July 24. 2007, the exercise price was \$20.2736.

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.