

Morningstar, Inc.
Form 4
December 21, 2007

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

OMB APPROVAL

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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 *
Armour Timothy K

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)
12/19/2007

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

Managing Director

(Street)

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

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) 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 | 12/19/2007 | | M | | 28,700 | A | \$ 14.13 |
| Common Stock | 12/19/2007 | | S(2) | | 300 | D | \$ 73.67 |
| Common Stock | 12/19/2007 | | S(2) | | 100 | D | \$ 73.87 |
| Common Stock | 12/19/2007 | | S(2) | | 200 | D | \$ 73.88 |
| Common Stock | 12/19/2007 | | S(2) | | 70 | D | \$ 73.89 |

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| | | | | | | | |
|--------------|------------|-------------|-----|---|----------|---------|---|
| Common Stock | 12/19/2007 | <u>S(2)</u> | 200 | D | \$ 73.9 | 187,103 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 330 | D | \$ 73.92 | 186,773 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 600 | D | \$ 73.98 | 186,173 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 300 | D | \$ 74 | 185,873 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 100 | D | \$ 74.01 | 185,773 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 600 | D | \$ 74.03 | 185,173 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 600 | D | \$ 74.04 | 184,573 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 300 | D | \$ 74.13 | 184,273 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 100 | D | \$ 74.17 | 184,173 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 100 | D | \$ 74.18 | 184,073 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 300 | D | \$ 74.21 | 183,773 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 300 | D | \$ 74.22 | 183,473 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 600 | D | \$ 74.32 | 182,873 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 300 | D | \$ 74.33 | 182,573 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 300 | D | \$ 74.34 | 182,273 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 67 | D | \$ 74.37 | 182,206 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 400 | D | \$ 74.38 | 181,806 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 100 | D | \$ 74.41 | 181,706 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 333 | D | \$ 74.42 | 181,373 | D |
| Common Stock | 12/19/2007 | <u>S(2)</u> | 100 | D | \$ 74.43 | 181,273 | D |
| | 12/19/2007 | <u>S(2)</u> | 200 | D | | 181,073 | D |

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| | | | | | | | |
|--------------|------------|------------------|-----|---|----|-------|-----------|
| Common Stock | | | | | \$ | 74.44 | |
| Common Stock | 12/19/2007 | S ⁽²⁾ | 100 | D | \$ | 74.45 | 180,973 D |
| Common Stock | 12/19/2007 | S ⁽²⁾ | 100 | D | \$ | 74.47 | 180,873 D |
| Common Stock | 12/19/2007 | S ⁽²⁾ | 500 | D | \$ | 74.5 | 180,373 D |
| Common Stock | 12/19/2007 | S ⁽²⁾ | 300 | D | \$ | 74.57 | 180,073 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) | \$ 14.13 | 12/19/2007 | | M | 28,700 | ⁽¹⁾ | 05/01/2010 | Common | 28,700 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Armour Timothy K C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606 | | | Managing Director | |

Signatures

/s/ Heidi Miller, by power of
attorney

12/21/2007

__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 options became exercisable in four equal installments on May 1, 2001, 2002, 2003, and 2004.
 - (2) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 12, 2007.

Remarks:

Form 1 of 4

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