

Morningstar, Inc.  
Form 4  
February 25, 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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2005  
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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)

02/21/2008

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 02/21/2008                              |                                                             | M                                    | V Amount (A) or (D) Price<br>15,000 A \$ 14.13                          | 325,536                                                                                                            | D                                                                    |                                                                   |
| Common<br>Stock                       | 02/21/2008                              |                                                             | S <sup>(1)</sup>                     | 100 D \$ 65.72                                                          | 325,436                                                                                                            | D                                                                    |                                                                   |
| Common<br>Stock                       | 02/21/2008                              |                                                             | S <sup>(1)</sup>                     | 100 D \$ 65.73                                                          | 325,336                                                                                                            | D                                                                    |                                                                   |
| Common<br>Stock                       | 02/21/2008                              |                                                             | S <sup>(1)</sup>                     | 100 D \$ 65.77                                                          | 325,236                                                                                                            | D                                                                    |                                                                   |
| Common<br>Stock                       | 02/21/2008                              |                                                             | S <sup>(1)</sup>                     | 100 D \$ 65.81                                                          | 325,136                                                                                                            | D                                                                    |                                                                   |

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|              |            |             |     |   |          |         |   |
|--------------|------------|-------------|-----|---|----------|---------|---|
| Common Stock | 02/21/2008 | <u>S(1)</u> | 100 | D | \$ 65.86 | 325,036 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 200 | D | \$ 65.89 | 324,836 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 200 | D | \$ 65.9  | 324,636 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 100 | D | \$ 65.91 | 324,536 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 100 | D | \$ 65.95 | 324,436 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 200 | D | \$ 65.96 | 324,236 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 100 | D | \$ 65.97 | 324,136 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 200 | D | \$ 65.98 | 323,936 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 333 | D | \$ 65.99 | 323,603 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 300 | D | \$ 66    | 323,303 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 300 | D | \$ 66.02 | 323,003 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 200 | D | \$ 66.03 | 322,803 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 400 | D | \$ 66.05 | 322,403 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 300 | D | \$ 66.06 | 322,103 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 267 | D | \$ 66.07 | 321,836 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 100 | D | \$ 66.08 | 321,736 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 385 | D | \$ 66.09 | 321,351 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 700 | D | \$ 66.1  | 320,651 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 200 | D | \$ 66.11 | 320,451 | D |
| Common Stock | 02/21/2008 | <u>S(1)</u> | 600 | D | \$ 66.12 | 319,851 | D |
|              | 02/21/2008 | <u>S(1)</u> | 100 | D |          | 319,751 | D |

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|              |            |                  |     |   |          |         |   |
|--------------|------------|------------------|-----|---|----------|---------|---|
| Common Stock |            |                  |     |   | \$ 66.13 |         |   |
| Common Stock | 02/21/2008 | S <sup>(1)</sup> | 200 | D | \$ 66.14 | 319,551 | D |
| Common Stock | 02/21/2008 | S <sup>(1)</sup> | 100 | D | \$ 66.15 | 319,451 | D |
| Common Stock | 02/21/2008 | S <sup>(1)</sup> | 415 | D | \$ 66.17 | 319,036 | D |
| Common Stock | 02/21/2008 | S <sup>(1)</sup> | 100 | D | \$ 66.18 | 318,936 | D |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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) |                 |        |                            |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|-----|---------------------------------------------------------------|-----------------|--------|----------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V                                                                                       | (A)                                                      | (D) | Date Exercisable                                              | Expiration Date | Title  | Amount or Number of Shares |
| Employee Stock Option (Right to Buy)       | \$ 14.13                                               | 02/21/2008                           |                                                    | M                              |                                                                                         | 15,000                                                   |     | <u>(2)</u>                                                    | 05/01/2011      | Common | 15,000                     |

## Reporting Owners

| Reporting Owner Name / Address                                                                  | Relationships |           |                   |       |
|-------------------------------------------------------------------------------------------------|---------------|-----------|-------------------|-------|
|                                                                                                 | Director      | 10% Owner | Officer           | Other |
| Phillips Donald James II<br>C/O MORNINGSTAR, INC.<br>225 WEST WACKER DRIVE<br>CHICAGO, IL 60606 | X             |           | Managing Director |       |

## Signatures

/s/ Heidi Miller, by power of  
attorney

02/25/2008

\_\_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

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