

Morningstar, Inc.  
Form 4  
December 26, 2007

**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 \*  
Armour Timothy K

(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)  
12/20/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Managing Director

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_X\_ 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 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	12/20/2007		M		120,000	A	\$ 2 279,273
Common Stock	12/20/2007		M		2,447	A	\$ 2.77 281,720
Common Stock	12/20/2007		M		4,893	A	\$ 2.77 286,613
Common Stock	12/20/2007		M		4,647	A	\$ 2.77 291,260
Common Stock	12/20/2007		M		2,323	A	\$ 2.77 293,583

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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 Number Shares
Employee Stock Option (Right to Buy)	\$ 2	12/20/2007		M	120,000	<sup>(1)</sup>	04/15/2008	Common	120,000
Employee Stock Option (Right to Buy)	\$ 2.77	12/20/2007		M	2,447	<sup>(2)</sup>	06/30/2008	Common	2,447
Employee Stock Option (Right to Buy)	\$ 2.77	12/20/2007		M	4,893	<sup>(2)</sup>	06/30/2008	Common	4,893
Employee Stock Option (Right to Buy)	\$ 2.77	12/20/2007		M	4,647	<sup>(3)</sup>	12/01/2008	Common	4,647
Employee Stock Option (Right to Buy)	\$ 2.77	12/20/2007		M	2,323	<sup>(3)</sup>	12/01/2008	Common	2,323

## Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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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

12/26/2007

\_\_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 five equal installments on April 15, 1999, 2000, 2001, 2002, and 2003.
- (2) The options became exercisable in five equal installments on June 30, 1999, 2000, 2001, 2002, and 2003.
- (3) The options became exercisable in five equal installments on December 1, 1999, 2000, 2001, 2002, and 2003.

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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