

Morningstar, Inc.  
Form 4  
March 10, 2008

# FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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

(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)

03/06/2008

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 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 or Price   |  |  |
| Common Stock                    | 03/06/2008                           |  | M                              |   | 9,500 A \$ 2.77   | 320,036  | D  |
| Common Stock                    | 03/06/2008                           |  | M                              |   | 15,000 A \$ 14.13   | 335,036  | D  |
| Common Stock                    | 03/06/2008                           |  | S <sup>(1)</sup>               |   | 100 D \$ 63.13  | 334,936  | D  |
| Common Stock                    | 03/06/2008                           |  | S <sup>(1)</sup>               |   | 100 D \$ 63.21  | 334,836  | D  |
| Common Stock                    | 03/06/2008                           |  | S <sup>(1)</sup>               |   | 100 D \$ 63.24  | 334,736  | D  |

Edgar Filing: Morningstar, Inc. - Form 4

|              |            |             |     |   |          |         |   |
|--------------|------------|-------------|-----|---|----------|---------|---|
| Common Stock | 03/06/2008 | <u>S(1)</u> | 100 | D | \$ 63.26 | 334,536 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 200 | D | \$ 63.27 | 334,336 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 300 | D | \$ 63.28 | 334,036 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 100 | D | \$ 63.3  | 333,936 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 300 | D | \$ 63.32 | 333,636 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 300 | D | \$ 63.35 | 333,336 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 100 | D | \$ 63.36 | 333,236 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 100 | D | \$ 63.38 | 333,136 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 300 | D | \$ 63.39 | 332,836 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 100 | D | \$ 63.4  | 332,736 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 100 | D | \$ 63.42 | 332,636 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 400 | D | \$ 63.43 | 332,236 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 136 | D | \$ 63.44 | 332,100 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 200 | D | \$ 63.45 | 331,900 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 164 | D | \$ 63.47 | 331,736 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 100 | D | \$ 63.5  | 331,636 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 100 | D | \$ 63.51 | 331,536 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 100 | D | \$ 63.54 | 331,436 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 100 | D | \$ 63.57 | 331,336 | D |
| Common Stock | 03/06/2008 | <u>S(1)</u> | 200 | D | \$ 63.59 | 331,136 | D |
|              | 03/06/2008 | <u>S(1)</u> | 100 | D |          | 331,036 | D |

Edgar Filing: Morningstar, Inc. - Form 4

|              |            |                  |     |   |          |         |   |
|--------------|------------|------------------|-----|---|----------|---------|---|
| Common Stock |            |                  |     |   | \$ 63.62 |         |   |
| Common Stock | 03/06/2008 | S <sup>(1)</sup> | 300 | D | \$ 63.65 | 330,736 | D |
| Common Stock | 03/06/2008 | S <sup>(1)</sup> | 100 | D | \$ 63.66 | 330,636 | D |
| Common Stock | 03/06/2008 | S <sup>(1)</sup> | 200 | D | \$ 63.68 | 330,436 | D |
| Common Stock | 03/06/2008 | S <sup>(1)</sup> | 100 | D | \$ 63.7  | 330,336 | 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)       | \$ 2.77  | 03/06/2008                           |  | M                              | 9,500<br>(2)  | (4) 02/15/2009   | Common  | 9,500  |                            |
| Employee Stock Option (Right to Buy)       | \$ 14.13   | 03/06/2008                           |  | M                              | 15,000  | (3) 05/01/2011   | Common  | 15,000 |                            |

## 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

03/10/2008

\_\_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) Pursuant to the terms of a Deferred Compensation Agreement entered into between Morningstar, Inc. and the reporting person, upon the exercise of these options Morningstar, Inc. will pay to the reporting person \$2.69 per share in the form of cash.
  - (3) The options became exercisable in four equal installments on May 1, 2001, 2002, 2003, and 2004.
  - (4) The options immediately vested on the grant date.

### 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.  
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.