

Odelbo Catherine Gillis
 Form 4
 May 07, 2008

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 *
 Odelbo Catherine Gillis

(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)
 05/05/2008

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)
 President, Individual Business

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 Beneficial Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---|
| | | | | (A) or (D) | Price | | | |
| Common Stock | 05/05/2008 | | M | 26,500 | A | \$ 16.9567 | 211,185 | D |
| | | | | | (2) | | | |
| Common Stock | 05/07/2008 | | M | 7,000 | A | \$ 16.9606 | 218,185 | D |
| | | | | | (4) | | | |
| Common Stock | 05/07/2008 | | M | 4,500 | A | \$ 20.9726 | 222,685 | D |
| | | | | | (5) | | | |
| Common Stock | 05/05/2008 | | S(3) | 200 | D | \$ 70.71 | 222,485 | D |

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| | | | | | | | |
|--------------|------------|-------------|-------|---|----------|---------|---|
| Common Stock | 05/05/2008 | <u>S(3)</u> | 137 | D | \$ 70.98 | 222,348 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 63 | D | \$ 71.04 | 222,285 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 100 | D | \$ 71.26 | 222,185 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 500 | D | \$ 72.08 | 221,685 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 7,497 | D | \$ 75 | 214,188 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 2,300 | D | \$ 75.01 | 211,888 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 1,200 | D | \$ 75.02 | 210,688 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 1,500 | D | \$ 75.03 | 209,188 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 900 | D | \$ 75.04 | 208,288 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 500 | D | \$ 75.05 | 207,788 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 400 | D | \$ 75.06 | 207,388 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 500 | D | \$ 75.07 | 206,888 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 200 | D | \$ 75.08 | 206,688 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 200 | D | \$ 75.09 | 206,488 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 400 | D | \$ 75.1 | 206,088 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 340 | D | \$ 75.11 | 205,748 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 263 | D | \$ 75.12 | 205,485 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 900 | D | \$ 75.13 | 204,585 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 900 | D | \$ 75.14 | 203,685 | D |
| Common Stock | 05/05/2008 | <u>S(3)</u> | 100 | D | \$ 75.15 | 203,585 | D |
| | 05/05/2008 | <u>S(3)</u> | 200 | D | \$ 75.16 | 203,385 | D |

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| | | | | | | | |
|--------------|------------|------------------|-----|---|----------|---------|---|
| Common Stock | | | | | | | |
| Common Stock | 05/05/2008 | S ⁽³⁾ | 400 | D | \$ 75.17 | 202,985 | D |
| Common Stock | 05/05/2008 | S ⁽³⁾ | 300 | D | \$ 75.18 | 202,685 | D |
| Common Stock | 05/05/2008 | S ⁽³⁾ | 600 | D | \$ 75.19 | 202,085 | D |
| Common Stock | 05/05/2008 | S ⁽³⁾ | 915 | D | \$ 75.2 | 201,170 | D |
| Common Stock | 05/05/2008 | S ⁽³⁾ | 200 | D | \$ 75.21 | 200,970 | 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) |
|--|--|--------------------------------------|--|--------------------------------|---|---------|--|-----------------|---|
| | | | | | V | (A) (D) | Date Exercisable | Expiration Date | |
| Employee Stock Option (Right to Buy) | \$ 16.9567 ⁽²⁾ | 05/05/2008 | | M | | 26,500 | ⁽¹⁾ | 12/01/2014 | Common 26,500 |
| Employee Stock Option (Right to Buy) | \$ 16.9606 ⁽⁴⁾ | 05/07/2008 | | M | | 7,000 | ⁽¹⁾ | 12/01/2014 | Common 7,000 |
| Employee Stock Option (Right to Buy) | \$ 20.9726 ⁽⁵⁾ | 05/07/2008 | | M | | 4,500 | ⁽⁶⁾ | 05/02/2015 | Common 4,500 |

Buy)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Odelbo Catherine Gillis C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606 | | | President, Individual Business | |

Signatures

/s/ Heidi Miller, by power of attorney
05/07/2008

__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 options became exercisable in four equal installments on May 1, 2005, 2006, 2007, and 2008.
 - (2) 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 (\$14.70). On May 5, 2008, the exercise price was \$16.95670.
 - (3) The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on March 4, 2008.
 - (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 (\$14.70). On May 7, 2008, the exercise price was \$16.96060.
 - (5) 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 May 7, 2008, the exercise price was \$20.97260.
 - (6) The options became exercisable in four equal installments on May 2, 2006, 2007, 2008, and 2009.

Remarks:

Form 1 of 4

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