

Phillips Donald James II
Form 4
May 11, 2009

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

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., 22
WEST WASHINGTON STREET

3. Date of Earliest Transaction
(Month/Day/Year)
05/07/2009

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 60602

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 05/07/2009 | | M | | 6,250 | A | \$ 14.13 |
| Common Stock | | | | | | | 413,428 |
| Common Stock | | | | | | | 32,500 |
| Common Stock | 05/07/2009 | | S ⁽¹⁾ | | 1,650 | D | \$ 42.4184 |
| Common Stock | | | | | | | 411,778 |
| Common Stock | 05/07/2009 | | S ⁽¹⁾ | | 3,900 | D | \$ 43.4402 |
| Common Stock | | | | | | | 407,878 |
| | 05/07/2009 | | S ⁽¹⁾ | | 700 | D | 407,178 |

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Common Stock \$ 44.0314
(5)

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

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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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option (Right to Buy) | \$ 14.13 | 05/07/2009 | | M | 6,250 | <u>(2)</u> 05/01/2010 | Common Stock | 6,250 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Phillips Donald James II C/O MORNINGSTAR, INC. 22 WEST WASHINGTON STREET CHICAGO, IL 60602 | X | | Managing Director | |

Signatures

/s/ Rich Robbins, by power of attorney
 05/08/2009
 **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.

This transaction was executed in multiple trades at prices ranging from \$41.91 to \$42.91. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, Morningstar or a shareholder of Morningstar full information regarding the number of shares and prices at which the transaction was effected.

(3) This transaction was executed in multiple trades at prices ranging from \$42.92 to \$43.92. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, Morningstar or a shareholder of Morningstar full information regarding the number of shares and prices at which the transaction was effected.

(4) This transaction was executed in multiple trades at prices ranging from \$43.93 to \$44.07. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, Morningstar or a shareholder of Morningstar full information regarding the number of shares and prices at which the transaction was effected.

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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