

Phillips Donald James II
Form 4
May 01, 2009

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 *
Phillips Donald James II

(Last) (First) (Middle)

C/O MORNINGSTAR, INC., 22
WEST WASHINGTON STREET

(Street)

CHICAGO, IL 60602

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Morningstar, Inc. [MORN]

3. Date of Earliest Transaction
(Month/Day/Year)
04/29/2009

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	04/29/2009		M		21,400	A	\$ 14.13
					428,578		
Common Stock	04/30/2009		M		40,095	A	\$ 14.13
					468,673		
Common Stock	05/01/2009		M		13,505	A	\$ 14.13
					482,178		
Common Stock					32,500	I	
							By GRAT
Common Stock	04/29/2009		S ⁽¹⁾		21,400	D	\$ 40.1716
					460,778		⁽³⁾

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Common Stock	04/30/2009	S ⁽¹⁾	40,095	D	\$ 40.2949 (4)	420,683	D
Common Stock	05/01/2009	S ⁽¹⁾	2,000	D	\$ 40.8125 (5)	418,683	D
Common Stock	05/01/2009	S ⁽¹⁾	6,051	D	\$ 41.9266 (6)	412,632	D
Common Stock	05/01/2009	S ⁽¹⁾	5,454	D	\$ 42.4967 (7)	407,178	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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 14.13	04/29/2009		M	21,400	(2)	05/01/2010	Common Stock	21,400
Employee Stock Option (Right to Buy)	\$ 14.13	04/30/2009		M	40,095	(2)	05/01/2010	Common Stock	40,095
Employee Stock Option (Right to Buy)	\$ 14.13	05/01/2009		M	13,505	(2)	05/01/2010	Common Stock	13,505

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 05/01/2009

__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 \$40.00 to \$40.50. The price reported above reflects the wieghted 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 \$40.00 to \$40.82. The price reported above reflects the wieghted 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 \$40.27 to \$41.20. The price reported above reflects the wieghted 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.
 - (5) This transaction was executed in multiple trades at prices ranging from \$41.27 to \$42.26. The price reported above reflects the wieghted 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.
 - (6) This transaction was executed in multiple trades at prices ranging from \$42.30 to \$42.73. The price reported above reflects the wieghted 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.
 - (7)

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.