

Phillips Donald James II  
Form 4  
January 16, 2009

**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 \*  
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)  
01/15/2009

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                    | 01/15/2009                           |  | M                              |   | 2,500   | A  | \$ 10.98  |
| Common Stock                    | 01/15/2009                           |  | M                              |   | 10,192  | A  | \$ 2.77   |
| Common Stock                    |                                      |  |                                |   |   |  | 32,500  |
| Common Stock                    | 01/15/2009                           |  | S <sup>(4)</sup>               |   | 2,500   | D  | \$ 34.5068  |
|                                 |                                      |  |                                |   |   |  | <sup>(3)</sup>  |

By  
GRAT

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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option (Right to Buy)       | \$ 10.98   | 01/15/2009                           |  | M                              | 1,647   | <u>(1)</u> 12/01/2009                                    | Common Stock  | 1,647                      |
| Employee Stock Option (Right to Buy)       | \$ 10.98   | 01/15/2009                           |  | M                              | 853   | <u>(1)</u> 12/01/2009                                    | Common Stock  | 8.53                       |
| Employee Stock Option (Right to Buy)       | \$ 2.77  | 01/15/2009                           |  | M                              | 10,192  | <u>(2)</u> 02/15/2009                                    | Common Stock  | 10,192                     |

## Reporting Owners

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

## Signatures

/s/ Heidi Miller, by power of attorney  
01/16/2009

\_\_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 options became exercisable in five equal installments on June 30, 2000, 2001, 2002, 2003, and 2004.
- (2) The options became exercisable in ten equal installments on February 15, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009.  

This transaction was executed in multiple trades at prices ranging from \$34.35 to \$34.81. 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) 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.

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.