

Boudos Martha Dustin
Form 4
May 04, 2007

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Boudos Martha Dustin

(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)

05/02/2007

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)

Chief Financial Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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	(A) or (D)	Price
Common Stock	05/02/2007		M		4,493	A	\$ 14.13
							38,267
Common Stock	05/02/2007		M		7,202	A	\$ 10.95
							45,469
Common Stock	05/03/2007		M		42,798	A	\$ 10.95
							88,267
Common Stock	05/02/2007		S ⁽¹⁾		11,695	D	\$ 52.2705
							(4)
Common Stock	05/03/2007		S ⁽¹⁾		42,798	D	\$ 33,774
							50.8909

(5)

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	05/02/2007		M		4,493		<u>(2)</u>	05/01/2010	Common Stock	4,493
Employee Stock Option (Right to Buy)	\$ 10.95	05/02/2007		M		7,202		<u>(3)</u>	05/01/2012	Common Stock	7,202
Employee Stock Option (Right to Buy)	\$ 10.95	05/03/2007		M		42,798		<u>(3)</u>	05/01/2012	Common Stock	42,798

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Boudos Martha Dustin C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606	Chief Financial Officer

Signatures

/s/ Heidi Miller, by power of
attorney

05/04/2007

__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 March 21, 2007.
- (2) The options became exercisable in four equal installments on May 1, 2001, 2002, 2003 and 2004.
- (3) The options became exercisable in four equal installments on May 1, 2003, 2004, 2005 and 2006.
- (4) The shares were sold in 45 transactions on the date reported at an average price of \$52.2705 per share, with prices ranging from \$51.45 to \$52.90.
- (5) The shares were sold in 85 transactions on the date reported at an average price of \$50.8909 per share, with prices ranging from \$50.00 to \$51.48.

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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