

Morningstar, Inc.  
Form 4  
May 16, 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 \*  
Williams David W

(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)  
05/14/2007

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 below) \_\_\_\_ Other (specify below)

Managing Director, Design

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                    | 05/14/2007                           |                                                    | M                              |                                                                   | 700    | A          | \$ 14.13                                                                                      | 21,614                                                   | D                                                     |
| Common Stock                    | 05/14/2007                           |                                                    | S <sup>(2)</sup>               |                                                                   | 700    | D          | \$ 48.47 <sup>(3)</sup>                                                                       | 20,914                                                   | D                                                     |
| Common Stock                    | 05/15/2007                           |                                                    | M                              |                                                                   | 700    | A          | \$ 14.13                                                                                      | 21,614                                                   | D                                                     |
| Common Stock                    | 05/15/2007                           |                                                    | S <sup>(2)</sup>               |                                                                   | 700    | D          | \$ 49.1157 <sup>(4)</sup>                                                                     | 20,914                                                   | D                                                     |

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<br>Derivative<br>Security<br>(Instr. 3) | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |                    | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | 8. F<br>Der<br>Sec<br>(Ins             |
|-----------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------|---------------------------------------------------------------------|----------------------------------------|
|                                                     |                                                                       |                                         |                                                             | Code                                    | V (A) (D)                                                                                                          | Date<br>Exercisable                                            | Expiration<br>Date | Title                                                               | Amount<br>or<br>Number<br>of<br>Shares |
| Employee<br>Stock<br>Option<br>(Right to<br>Buy)    | \$ 14.13                                                              | 05/14/2007                              |                                                             | M                                       | 700                                                                                                                | <u>(1)</u>                                                     | 05/01/2010         | Common<br>Stock                                                     | 700                                    |
| Employee<br>Stock<br>Option<br>(Right to<br>Buy)    | \$ 14.13                                                              | 05/15/2007                              |                                                             | M                                       | 700                                                                                                                | <u>(1)</u>                                                     | 05/01/2010         | Common<br>Stock                                                     | 700                                    |

## Reporting Owners

| Reporting Owner Name / Address                                                          | Relationships |           |                           |       |
|-----------------------------------------------------------------------------------------|---------------|-----------|---------------------------|-------|
|                                                                                         | Director      | 10% Owner | Officer                   | Other |
| Williams David W<br>C/O MORNINGSTAR, INC.<br>225 WEST WACKER DRIVE<br>CHICAGO, IL 60606 |               |           | Managing Director, Design |       |

## Signatures

/s/ Heidi Miller, by power of attorney  
05/16/2007

\_\_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 options became exercisable in four equal installments on May 1, 2001, 2002, 2003 and 2004.
- (2) 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.
- (3) The shares were sold in three transactions on the date reported at an average price of \$48.47 per share with prices ranging from \$48.42 to \$48.55.
- (4) The shares were sold in five transactions on the date reported at an average price of \$49.1157 per share with prices ranging from \$49.00 to \$49.25.

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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