

Phillips Donald James II  
Form 4  
October 10, 2008

**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., 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)  
10/09/2008

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	10/09/2008		M		10,000	A	\$ 14.13
Common Stock							32,500
Common Stock	10/09/2008		S <sup>(1)</sup>		1,876	D	\$ 49.1747
Common Stock	10/09/2008		S <sup>(1)</sup>		2,400	D	\$ 50.5442
	10/09/2008		S <sup>(1)</sup>		2,183	D	

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Common Stock					\$ 51.3413 (5)		
Common Stock	10/09/2008	S(1)	400	D	\$ 52.52 (6)	360,743	D
Common Stock	10/09/2008	S(1)	417	D	\$ 53.471 (7)	360,326	D
Common Stock	10/09/2008	S(1)	1,300	D	\$ 54.8269 (8)	359,026	D
Common Stock	10/09/2008	S(1)	224	D	\$ 49.8421 (10)	358,802	D
Common Stock	10/09/2008	S(1)	1,100	D	\$ 55.8842 (9)	357,502	D
Common Stock	10/09/2008	S(1)	100	D	\$ 56.39	357,602	D

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

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**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	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option (Right to Buy)	\$ 14.13	10/09/2008		M	10,000	(2)	05/01/2010	Common Stock	10,000

