

Phillips Donald James II
 Form 4
 October 10, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 C/O MORNINGSTAR, INC., 225 WEST WACKER DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/09/2008

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

CHICAGO, IL 60606

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

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 ⁽¹⁾		1,876	D	\$ 49.1747
Common Stock	10/09/2008		S ⁽¹⁾		2,400	D	\$ 50.5442
	10/09/2008		S ⁽¹⁾		2,183	D	

Edgar Filing: Phillips Donald James II - Form 4

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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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	
				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

