Morningstar, Inc. Form 4 July 11, 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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

obligations may continue. See Instruction 1(b).

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)

(Last)

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

> (First) (Middle)

C/O MORNINGSTAR, INC., 225

WEST WACKER DRIVE

(Street)

2. Issuer Name and Ticker or Trading Symbol

Morningstar, Inc. [MORN]

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

07/10/2007

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

5. Relationship of Reporting Person(s) to

OMB

Number:

Expires:

response...

Estimated average

burden hours per

OMB APPROVAL

3235-0287

January 31,

2005

0.5

Issuer

(Check all applicable)

Director 10% Owner _X__ Officer (give title Other (specify 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

CHICAGO, IL 60606

(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. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			5. Amount of Securities Beneficially Owned Following	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)				
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)				
Common Stock	07/10/2007		M	1,000	A	\$ 2.77	33,971	D			
Common Stock	07/10/2007		M	1,224	A	\$ 10.98	35,195	D			
Common Stock	07/10/2007		M	2,478	A	\$ 10.98	37,673	D			
Common Stock	07/10/2007		M	1,131	A	\$ 10.98	38,804	D			
Common Stock	07/10/2007		M	2,262	A	\$ 10.98	41,066	D			

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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 3A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year)		4. 5. Number Transaction Derivative Code Securities (Instr. 8) 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)	\$ 2.77	07/10/2007		M	1,000	(2)	12/31/2008	Common Stock	1,000
Employee Stock Option (Right to Buy)	\$ 10.98	07/10/2007		M	1,224	<u>(1)</u>	06/30/2009	Common Stock	1,224
Employee Stock Option (Right to Buy)	\$ 10.98	07/10/2007		M	2,478	(1)	06/30/2009	Common Stock	2,478
Employee Stock Option (Right to Buy)	\$ 10.98	07/10/2007		M	1,131	(3)	12/01/2009	Common Stock	1,131
Employee Stock Option (Right to Buy)	\$ 10.98	07/10/2007		M	2,262	(3)	12/01/2009	Common Stock	2,262

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/ Richard Robbins, by power of attorney

07/11/2007

**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 five equal installments on June 30, 2000, 2001, 2002, 2003, and 2004.
- (2) The options became exercisable in five equal installments on December 31, 1999, 2000, 2001, 2002, and 2003.
- (3) The options became exercisable in five equal installments on December 1, 2000, 2001, 2002, 2003, and 2004.

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.

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