

Morningstar, Inc.
Form 3
May 02, 2005

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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)

| | | | | | |
|---|---|--|---|---|---|
| <p>1. Name and Address of Reporting Person *</p> <p>Â Williams David W</p> <p>(Last) (First) (Middle)</p> <p>C/O MORNINGSTAR, INC.,Â 225 WEST WACKER DRIVE</p> <p>(Street)</p> <p>CHICAGO,Â ILÂ 60606</p> <p>(City) (State) (Zip)</p> | <p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>05/02/2005</p> | <p>3. Issuer Name and Ticker or Trading Symbol</p> <p>Morningstar, Inc. [MORN]</p> | <p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) Managing Director, Design</p> | <p>5. If Amendment, Date Original Filed(Month/Day/Year)</p> | <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person</p> |
|---|---|--|---|---|---|

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock | 4,736 | D | Â |

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

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|---|---|--|
|---|---|--|---|---|--|

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| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) | |
|-----------------------------|---------------------|--------------------|--------------|----------------------------------|---------------------|--|---|
| Stock Option (Right to Buy) | Â <u>(1)</u> | 06/30/2007 | Common Stock | 785 | \$ 2 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 06/30/2008 | Common Stock | 1,335 | \$ 2.77 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 12/01/2008 | Common Stock | 1,596 | \$ 2.77 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 12/01/2008 | Common Stock | 3,192 | \$ 2.77 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 06/30/2008 | Common Stock | 2,670 | \$ 2.77 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 12/31/2007 | Common Stock | 24,000 | \$ 2 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 06/30/2009 | Common Stock | 1,362 | \$ 10.98 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 06/30/2009 | Common Stock | 2,754 | \$ 10.98 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 12/01/2009 | Common Stock | 1,191 | \$ 10.98 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 12/01/2009 | Common Stock | 2,379 | \$ 10.98 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 03/17/2010 | Common Stock | 15,000 | \$ 14.13 | D | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u> | 05/01/2010 | Common Stock | 53,000 | \$ 14.13 | D | Â |
| Stock Option (Right to Buy) | Â <u>(2)</u> | 05/01/2011 | Common Stock | 7,500 | \$ 14.13 | D | Â |
| Stock Option (Right to Buy) | Â <u>(2)</u> | 05/01/2011 | Common Stock | 7,500 | \$ 14.13 | D | Â |
| Stock Option (Right to Buy) | Â <u>(3)</u> | 05/01/2012 | Common Stock | 10,000 | \$ 10.95 | D | Â |
| Stock Option (Right to Buy) | Â <u>(4)</u> | 05/01/2013 | Common Stock | 10,000 | \$ 8.57 | D | Â |
| Stock Option (Right to Buy) | Â <u>(5)</u> | 12/01/2014 | Common Stock | 55,000 | \$ 14.96 <u>(6)</u> | D | Â |

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

Williams David W
C/O MORNINGSTAR, INC.
225 WEST WACKER DRIVE
CHICAGO, IL 60606

Â Â Â Managing Director, Design Â

Signatures

/s/ Peter Olson, by power of
attorney

05/02/2005

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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) Immediately exercisable.

(2) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2002.

(3) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2003.

(4) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2004.

(5) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2005.

The exercise price is determined by the daily indexing of the fair market value of the shares on the grant date (\$14.70) against the 10-Year U.S. Treasury Bond Rate on November 15, 2004, compounded annually. Therefore the exercise price is subject to change throughout the life of the option. On April, 30, 2005, the exercise price was \$14.96.

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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