

Morningstar, Inc.  
Form 4  
July 25, 2007

**FORM 4**

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

OMB APPROVAL

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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 \*  
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)  
07/23/2007

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, Design

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	(A) or (D)	Price	
Common Stock	07/23/2007		M		1,299	A	\$ 20.2713	26,767	D
							(3)		
Common Stock	07/23/2007		M		373	A	\$ 20.2713	27,140	D
							(3)		
Common Stock	07/23/2007		S <sup>(1)</sup>		44	D	\$ 49.48	27,096	D
Common Stock	07/23/2007		S <sup>(1)</sup>		88	D	\$ 49.5	27,008	D
	07/23/2007		S <sup>(1)</sup>		176	D	\$ 49.55	26,832	D

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Common Stock							
Common Stock	07/23/2007	S <sup>(1)</sup>	88	D	\$ 49.62	26,744	D
Common Stock	07/23/2007	S <sup>(1)</sup>	220	D	\$ 49.66	26,524	D
Common Stock	07/23/2007	S <sup>(1)</sup>	88	D	\$ 49.71	26,436	D
Common Stock	07/23/2007	S <sup>(1)</sup>	44	D	\$ 49.72	26,392	D
Common Stock	07/23/2007	S <sup>(1)</sup>	132	D	\$ 50.01	26,260	D
Common Stock	07/23/2007	S <sup>(1)</sup>	31	D	\$ 50.02	26,229	D
Common Stock	07/23/2007	S <sup>(1)</sup>	44	D	\$ 50.03	26,185	D
Common Stock	07/23/2007	S <sup>(1)</sup>	88	D	\$ 50.04	26,097	D
Common Stock	07/23/2007	S <sup>(1)</sup>	264	D	\$ 50.05	25,833	D
Common Stock	07/23/2007	S <sup>(1)</sup>	176	D	\$ 50.06	25,657	D
Common Stock	07/23/2007	S <sup>(1)</sup>	145	D	\$ 50.07	25,512	D
Common Stock	07/23/2007	S <sup>(1)</sup>	44	D	\$ 50.08	25,468	D
Common Stock	07/24/2007	M	700	A	\$ 20.2736 <sup>(4)</sup>	26,148	D
Common Stock	07/24/2007	S <sup>(1)</sup>	700	D	\$ 49.42	25,468	D

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

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(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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. D
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- (3) The exercise price increases over the term of the option at a rate equal to the 10-year Treasury bond yield as of the date of grant (\$18.50). On July 23, 2007, the exercise price was \$20.2713.
- (4) The exercise price increases over the term of the option at a rate equal to the 10-year Treasury bond yield as of the date of grant (\$18.50). On July 24, 2007, the exercise price was \$20.2736.

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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