

Odelbo Catherine Gillis
 Form 4
 May 07, 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 *
 Odelbo Catherine Gillis

(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)
 05/05/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 ___X___ Officer (give title below) ___ Other (specify below)
 President, Individual Business

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___X___ 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)
				(A) or (D)	Price		
Common Stock	05/05/2008		M	26,500	A 16.9567	211,185	D
					\$		
					(2)		
Common Stock	05/07/2008		M	7,000	A 16.9606	218,185	D
					\$		
					(4)		
Common Stock	05/07/2008		M	4,500	A 20.9726	222,685	D
					\$		
					(5)		
Common Stock	05/05/2008		S(3)	200	D \$ 70.71	222,485	D

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Common Stock	05/05/2008	<u>S⁽³⁾</u>	137	D	\$ 70.98	222,348	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	63	D	\$ 71.04	222,285	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	100	D	\$ 71.26	222,185	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	500	D	\$ 72.08	221,685	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	7,497	D	\$ 75	214,188	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	2,300	D	\$ 75.01	211,888	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	1,200	D	\$ 75.02	210,688	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	1,500	D	\$ 75.03	209,188	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	900	D	\$ 75.04	208,288	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	500	D	\$ 75.05	207,788	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	400	D	\$ 75.06	207,388	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	500	D	\$ 75.07	206,888	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	200	D	\$ 75.08	206,688	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	200	D	\$ 75.09	206,488	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	400	D	\$ 75.1	206,088	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	340	D	\$ 75.11	205,748	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	263	D	\$ 75.12	205,485	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	900	D	\$ 75.13	204,585	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	900	D	\$ 75.14	203,685	D
Common Stock	05/05/2008	<u>S⁽³⁾</u>	100	D	\$ 75.15	203,585	D
	05/05/2008	<u>S⁽³⁾</u>	200	D	\$ 75.16	203,385	D

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Common Stock							
Common Stock	05/05/2008	S ⁽³⁾	400	D	\$ 75.17	202,985	D
Common Stock	05/05/2008	S ⁽³⁾	300	D	\$ 75.18	202,685	D
Common Stock	05/05/2008	S ⁽³⁾	600	D	\$ 75.19	202,085	D
Common Stock	05/05/2008	S ⁽³⁾	915	D	\$ 75.2	201,170	D
Common Stock	05/05/2008	S ⁽³⁾	200	D	\$ 75.21	200,970	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)	
					V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 16.9567 ⁽²⁾	05/05/2008		M		26,500	⁽¹⁾	12/01/2014	Common	26,500
Employee Stock Option (Right to Buy)	\$ 16.9606 ⁽⁴⁾	05/07/2008		M		7,000	⁽¹⁾	12/01/2014	Common	7,000
Employee Stock Option (Right to Buy)	\$ 20.9726 ⁽⁵⁾	05/07/2008		M		4,500	⁽⁶⁾	05/02/2015	Common	4,500

Buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Odelbo Catherine Gillis C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606			President, Individual Business	

Signatures

/s/ Heidi Miller, by power of
attorney

05/07/2008

 **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 four equal installments on May 1, 2005, 2006, 2007, and 2008.
 - (2) 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 (\$14.70).
On May 5, 2008, the exercise price was \$16.95670.
 - (3) The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on March 4, 2008.
 - (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 (\$14.70).
On May 7, 2008, the exercise price was \$16.96060.
 - (5) 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 May 7, 2008, the exercise price was \$20.97260.
 - (6) The options became exercisable in four equal installments on May 2, 2006, 2007, 2008, and 2009.

Remarks:

Form 1 of 4

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.