

Kapoor Kunal
Form 3
January 06, 2009

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)

1. Name and Address of Reporting Person *

Â Kapoor Kunal
(Last) (First) (Middle)

2. Date of Event Requiring Statement

(Month/Day/Year)
01/01/2009

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

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer Other
(give title below) (specify below)
Head of Individual Software

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

C/O MORNINGSTAR,
INC.,Â 22 WEST
WASHINGTON STREET

(Street)

CHICAGO,Â ILÂ 60602

(City) (State) (Zip)

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 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 (Restricted Stock Units) ⁽¹⁾	451	D	Â
Common Stock (Restricted Stock Units) ⁽²⁾	607	D	Â
Common Stock (Restricted Stock Units) ⁽³⁾	776	D	Â
Common Stock (Restricted Stock Units) ⁽⁴⁾	1,364	D	Â
Common Stock	1,745	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 Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Employee Stock Option (Right to Buy)	Â <u>(5)</u>	05/01/2010	Common Stock	875	\$ 14.13	D	Â
Employee Stock Option (Right to Buy)	Â <u>(6)</u>	05/01/2011	Common Stock	800	\$ 14.13	D	Â
Employee Stock Option (Right to Buy)	Â <u>(7)</u>	05/01/2012	Common Stock	2,500	\$ 10.95	D	Â
Employee Stock Option (Right to buy)	Â <u>(8)</u>	05/01/2013	Common Stock	3,000	\$ 8.57	D	Â
Employee Stock Option (Right to Buy)	Â <u>(9)</u>	12/01/2014	Common Stock	625	\$ 17.4357 <u>(10)</u>	D	Â
Employee Stock Option (Right to Buy)	Â <u>(11)</u>	05/02/2015	Common Stock	625	\$ 21.5224 <u>(12)</u>	D	Â
Employee Stock Option (Right to Buy)	Â <u>(13)</u>	01/01/2016	Common Stock	1,000	\$ 39.429 <u>(14)</u>	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kapoor Kunal C/O MORNINGSTAR, INC. 22 WEST WASHINGTON STREET CHICAGO, IL 60602	Â	Â	Â Head of Individual Software	Â

Signatures

Heidi T. Miller, by power of attorney 01/06/2009

**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) Each restricted stock unit represents a contingent right to receive one share of Morningstar, Inc. common stock. The restricted stock units vest in four equal annual installments beginning May 15, 2007.
 - (2) Each restricted stock unit represents a contingent right to receive one share of Morningstar, Inc. common stock. The restricted stock units vest in four equal annual installments beginning May 15, 2008.

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- (3) Each restricted stock unit represents a contingent right to receive one share of Morningstar, Inc. common stock. The restricted stock units vest in four equal annual installments beginning August 15, 2008.
- (4) Each restricted stock unit represents a contingent right to receive one share of Morningstar, Inc. common stock. The restricted stock units vest in four equal annual installments beginning May 15, 2009.
- (5) The options became exercisable in four installments. On May 1, 2001 and 2002, 563 options vested. On May 1, 2003 and 2004, 562 options vested.
- (6) The options became exercisable in four equal installments on May 1, 2002, 2003, 2004, and 2005.
- (7) The options became exercisable in four equal installments on May 1, 2003, 2004, 2005, and 2006.
- (8) The options became exercisable in four equal installments on May 1, 2004, 2005, 2006, and 2007.
- (9) The options became exercisable in four equal installments on May 1, 2005, 2006, 2007, and 2008.
- (10) 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 December 1, 2004, compounded annually. Therefore the exercise price is subject to change throughout the life of the option. On January 5, 2009, the exercise price was \$17.4357.
- (11) The options become exercisable in four equal installments. On May 2, 2006, 2007, and 2008, 625 options vested. The remaining 625 options will vest on May 2, 2009.
- (12) The exercise price is determined by the daily indexing of the fair market value of the shares on the grant date (\$18.50) against the 10-Year U.S. Treasury Bond Rate on May 2, 2005, compounded annually. Therefore the exercise price is subject to change throughout the life of the option. On January 5, 2009, the exercise price was \$21.5224.
- (13) The options become exercisable in four equal installments. On January 1, 2007, 2008, and 2009, 500 options vested. The remaining 500 options will vest on January 1, 2010.
- (14) The exercise price is determined by the daily indexing of the fair market value of the shares on the grant date (\$34.64) against the 10-Year U.S. Treasury Bond Rate on January 1, 2006, compounded annually. Therefore the exercise price is subject to change throughout the life of the option. On January 5, 2009, the exercise price was \$39.429.

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.