Sturm Paul W Form 4 August 24, 2010

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL

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if no longer subject to Section 16. Form 4 or Form 5 obligations may continue.

Check this box

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)

See Instruction

1(b).

(City)

(State)

(Zip)

| 1. Name and Address of Reporting Person * Sturm Paul W (Last) (First) (Middle) C/O MORNINGSTAR, INC., 22 WEST WASHINGTON STREET | | | 2. Issuer Name and Ticker or Trading Symbol Morningstar, Inc. [MORN] | 5. Relationship of Reporting Person(s) to Issuer | | | | |
|---|--|--|--|--|--|--|--|--|
| | | | 3. Date of Earliest Transaction (Month/Day/Year) | (Check all applicable) _X_ Director 10% Owner | | | | |
| | | | 08/24/2010 | Officer (give title Other (specify below) | | | | |
| (Street) | | | 4. If Amendment, Date Original | 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 60602 | | | Filed(Month/Day/Year) | | | | | |

| | | 1401 | ci iton b | CIIVALIVE |)ccui i | nes ricqu | irea, Disposea or | , or beneficial | j O wiicu |
|--------------------------------------|--------------------------------------|------------------------|---------------------------|--|---------|-------------|--|---------------------------|----------------------------------|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | Execution Date, if any | 3. Transaction Code | 4. Securitin(A) or Dis (Instr. 3, 4 | sposed | of (D) | 5. Amount of Securities Beneficially | 6. Ownership Form: Direct | 7. Nature of Indirect Beneficial |
| | | (Month/Day/Year) | (Instr. 8) | | | | Owned Following | (D) or Indirect (I) | Ownership (Instr. 4) |
| | | | | | (A) or | | Reported Transaction(s) (Instr. 3 and 4) | (Instr. 4) | |
| | | | Code V | Amount | (D) | Price | (msu. 3 and 4) | | |
| Common Stock | 08/24/2010 | | M | 12,000 | A | \$ 14.13 | 75,335 | D | |
| Common Stock | 08/24/2010 | | M | 12,000 | A | \$ 10.95 | 87,335 | D | |
| Common Stock | 08/24/2010 | | M | 12,000 | A | \$ 8.57 | 99,335 | D | |

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

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Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

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number.

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. Transactic Code (Instr. 8) | 5. Number of tiorDerivative 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) | |
|---|---|--------------------------------------|---|--|---|--------|--|--------------------|---|-------------------------------------|
| | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee Stock Option (Right to Buy) | \$ 14.13 | 08/24/2010 | | M | | 12,000 | <u>(1)</u> | 01/26/2011 | Common Stock | 12,000 |
| Employee Stock Option (Right to Buy) | \$ 10.95 | 08/24/2010 | | M | | 12,000 | (2) | 01/28/2012 | Common Stock | 12,000 |
| Employee Stock Option (Right to Buy) | \$ 8.57 | 08/24/2010 | | M | | 12,000 | (3) | 01/30/2013 | Common Stock | 12,000 |

Reporting Owners

**Signature of Reporting Person

| Reporting Owner Name / Address | Relationships | | | | | | |
|---|---------------|-----------|---------|-------|--|--|--|
| r | Director | 10% Owner | Officer | Other | | | |
| Sturm Paul W C/O MORNINGSTAR, INC. 22 WEST WASHINGTON STREET CHICAGO, IL 60602 | X | | | | | | |
| Signatures | | | | | | | |
| /s/ Heidi Miller, by power of attorney | 08/24/2010 | | | | | | |

Reporting Owners 2

Date

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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 three equal installments on January 26, 2002, 2003, and 2004.
- (2) The options became exercisable in three equal installments on January 28, 2003, 2004, and 2005.
- (3) The options became exercisable in three equal installments on January 30, 2004, 2005, and 2006.

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.