**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(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person  
   Phillips Donald James II  
   C/O MORNINGSTAR, INC., 225 WEST WACKER DRIVE  
   CHICAGO, IL 60606

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

3. Date of Earliest Transaction (MM/DD/YYYY)  
   1/10/2007

4. If Amendment, Date Original Filed (MM/DD/YYYY)  

5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  
   _ X__ Director  
   _ X__ Officer (give title below)  
   _ ___ 10% Owner  
   _ ___ Other (specify below)  
   Managing Director

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

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Trans. Date</th>
<th>Trans. Code</th>
<th>Trans. Execution Date, if any</th>
<th>Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>Amount (A) or (D)</th>
<th>Price</th>
<th>Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>1/10/2007</td>
<td>M</td>
<td></td>
<td>A</td>
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<td>D</td>
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<td>$45.28</td>
<td>D</td>
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### Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Trans. Date</th>
<th>2A. Deemed Execution Date, if any</th>
<th>3. Trans. Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
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<tbody>
<tr>
<td>Common Stock</td>
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<td>S (1)</td>
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</table>

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

<table>
<thead>
<tr>
<th>1. Title of Derivate Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Trans. Date</th>
<th>3A. Deemed Execution Date, if any</th>
<th>4. Trans. Code (Instr. 8)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>6. Date Exercisable and Expiration Date</th>
<th>7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)</th>
<th>10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Stock Option (Right to Buy)</td>
<td>$2.77</td>
<td>1/10/2007</td>
<td>M</td>
<td>10000 (2)</td>
<td>2/15/2009</td>
<td>2/15/2009</td>
<td>Common 10000 $0 502310 D</td>
<td>D</td>
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<td></td>
<td></td>
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</tbody>
</table>

**Explanation of Responses:**

(1) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 9, 2006.

(2) Pursuant to the terms of a Deferred Compensation Agreement entered into between Morningstar, Inc. and the reporting person, upon the exercise of these options Morningstar, Inc. will pay to the reporting person $2.69 per share in the form of cash.

(3) The options became immediately exercisable on the grant date, February 15, 1999.

**Remarks:**

Form 1 of 2

**Reporting Owners**

<table>
<thead>
<tr>
<th>Reporting Owner Name / Address</th>
<th>Relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phillips Donald James II</td>
<td>X</td>
</tr>
<tr>
<td>C/O MORNINGSTAR, INC.</td>
<td>Managing Director</td>
</tr>
<tr>
<td>225 WEST WACKER DRIVE</td>
<td></td>
</tr>
<tr>
<td>CHICAGO, IL 60606</td>
<td></td>
</tr>
</tbody>
</table>

**Signatures**

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.