MORNINGSTAR, INC.

FORM 4
(Statement of Changes in Beneficial Ownership)


Address 225 WEST WACKER DRIVE
          CHICAGO, Illinois 60606
Telephone (312) 696-6000
CIK 0001289419
Industry Computer Services
Sector Technology
Fiscal Year 12/31
**FORM 4**

[ ] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

**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  
   (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** (MM/DD/YYYY)
   
   5/10/2007

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

5. **Individual or Joint/Group Filing (Check Applicable Line)**
   
   _ X_ Form filed by One Reporting Person  
   ___ Form filed by More than One Reporting Person

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

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

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Trans. Date</th>
<th>Code</th>
<th>Amount</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>5/10/2007</td>
<td>V</td>
<td>10000</td>
<td>$2.77</td>
</tr>
<tr>
<td>Common Stock</td>
<td>5/10/2007</td>
<td>S(1)</td>
<td>10000</td>
<td>$48.5818</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Title of Derivate Security</th>
<th>Conversion or Exercise Price</th>
<th>Trans. Date</th>
<th>Code</th>
<th>Amount</th>
<th>Exercisable Date</th>
<th>Expiration Date</th>
<th>Title of Securities Underlying Derivative Security</th>
<th>Amount or Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Stock Option (Right to Buy)</td>
<td>$2.77</td>
<td>5/10/2007</td>
<td>M</td>
<td>10000</td>
<td>2/15/2009</td>
<td></td>
<td></td>
<td>10000</td>
</tr>
</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.
4. The shares were sold in forty transactions on the date reported at an average price of $48.5818 per share, with prices ranging from $48.05 to $49.30.

**Reporting Owners**

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

X  Managing Director

Signatures

/s/ Heidi Miller, by power of attorney  5/11/2007

** Signature of Reporting Person  Date

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.