

Morningstar, Inc.
Form 3
August 13, 2007

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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)

| | | | | | |
|---|---|--|---|---|---|
| <p>1. Name and Address of Reporting Person *</p> <p>Â Cooley Richard Scott</p> <p>(Last) (First) (Middle)</p> <p>C/O MORNINGSTAR, INC.,Â 225 WEST WACKER DRIVE</p> <p>(Street)</p> <p>CHICAGO,Â ILÂ 60606</p> <p>(City) (State) (Zip)</p> | <p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>08/10/2007</p> | <p>3. Issuer Name and Ticker or Trading Symbol</p> <p>Morningstar, Inc. [MORN]</p> | <p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) Chief Financial Officer</p> | <p>5. If Amendment, Date Original Filed(Month/Day/Year)</p> | <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person</p> |
|---|---|--|---|---|---|

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) ⁽¹⁴⁾ | 675 | D | Â |
| Common Stock (Restricted Stock Units) ⁽¹⁵⁾ | 809 | D | Â |
| Common Stock | 155 | D | Â |

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

SEC 1473 (7-02)

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.

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

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| 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>(1)</u> | 06/30/2008 | Common Stock | 783 | \$ 2.77 | D | Â |
| Employee Stock Option (Right to Buy) | Â <u>(2)</u> | 12/01/2008 | Common Stock | 828 | \$ 2.77 | D | Â |
| Employee Stock Option (Right to Buy) | Â <u>(3)</u> | 06/30/2009 | Common Stock | 765 | \$ 10.98 | D | Â |
| Employee Stock Option (Right to Buy) | Â <u>(4)</u> | 12/01/2009 | Common Stock | 774 | \$ 10.98 | D | Â |
| Employee Stock Option (Right to Buy) | Â <u>(5)</u> | 05/01/2010 | Common Stock | 5,500 | \$ 14.13 | D | Â |
| Employee Stock Option (Right to Buy) | Â <u>(6)</u> | 05/01/2011 | Common Stock | 6,500 | \$ 14.13 | D | Â |
| Employee Stock Option (Right to Buy) | Â <u>(7)</u> | 05/01/2011 | Common Stock | 1,000 | \$ 14.13 | D | Â |
| Employee Stock Option (Right to Buy) | Â <u>(8)</u> | 05/01/2012 | Common Stock | 1,500 | \$ 10.95 | D | Â |
| Employee Stock Option (Right to Buy) | Â <u>(9)</u> | 05/01/2013 | Common Stock | 10,000 | \$ 8.57 | D | Â |
| Employee Stock Option (Right to Buy) | Â <u>(10)</u> | 12/01/2014 | Common Stock | 10,000 | \$ 16.4505 <u>(12)</u> | D | Â |
| Employee Stock Option (Right to Buy) | Â <u>(11)</u> | 05/02/2015 | Common Stock | 10,000 | \$ 20.3196 <u>(13)</u> | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Cooley Richard Scott C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606 | Â | Â | Â Chief Financial Officer | Â |

Signatures

/s/ Richard Robbins, by power of
attorney

08/13/2007

**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) The options became exercisable in five installments. On June 30, 1999 and 2000, 156 options vested. On June 30, 2001, 2002, and 2003, 157 options vested.
- (2) The options became exercisable in five installments. On December 1, 1999 and 2000, 165 options vested. On December 1, 2001, 2002, and 2003, 166 options vested.
- (3) The options became exercisable in five equal installments on June 30, 2000, 2001, 2002, 2003, and 2004.
- (4) The options became exercisable in five installments. On December 1, 2000, 154 options vested. On December 1, 2001, 2002, 2003, and 2004, 155 options vested.
- (5) The options became exercisable in four equal installments on May 1, 2001, 2002, 2003, and 2004.
- (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, 2002, 2003, 2004, and 2005.
- (8) The options became exercisable in four equal installments on May 1, 2003, 2004, 2005, and 2006.
- (9) The options became exercisable in four equal installments on May 1, 2004, 2005, 2006, and 2007.
- (10) The options become exercisable in four equal installments. On May 1, 2005, 2006, and 2007, 2,500 options vested. The remaining 2,500 options will vest on May 1, 2008.
- (11) The options become exercisable in four equal installments. On May 1, 2006 and 2007, 2,500 options vested. The remaining 5,000 options will vest in equal installments on May 1, 2008 and 2009.
- (12) 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 November 15, 2004, compounded annually. Therefore the exercise price is subject to change throughout the life of the option. On August 10, 2007, the exercise price was \$16.4505.
- (13) 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 August 10, 2007, the exercise price was \$20.3196.
- (14) Each restricted stock unit represents a contingent right to receive one share of Morningstar, Inc. common stock. The restricted stock units vest in four annual installments beginning May 15, 2007.
- (15) Each restricted stock unit represents a contingent right to receive one share of Morningstar, Inc. common stock. The restricted stock units vest in four annual installments beginning May 15, 2008.

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.