

Phillips Donald James II
Form 4
November 01, 2012

FORM 4

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

OMB APPROVAL

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

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(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Phillips Donald James II

(Last) (First) (Middle)

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

(Street)

CHICAGO, IL 60602

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
10/31/2012

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
President, Research

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 Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/31/2012		S ⁽¹⁾		2,695	D	\$ 62.6752 ⁽²⁾
Common Stock (Restricted Stock Units)	10/31/2012		A		10 ⁽³⁾	A	\$ 0
Common Stock						I	60,605
							By GRAT

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

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(9-02)

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. Transaction Code (Instr. 8)	5. Number of Derivative 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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 3)
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Reporting Owners

Reporting Owner Name / Address	Employee Stock Option	\$							
	Employee Stock Option	\$ 51.6				02/09/2008	02/09/2017	Common Stock	60,000
	Employee Stock Option	\$ 48.51				02/08/2009 ⁽¹⁾	02/08/2018	Common Stock	70,000
	Employee Stock Option	\$ 35.12				02/13/2010 ⁽¹⁾	02/13/2019	Common Stock	60,703
	Qualifying Restricted Stock Unit ⁽²⁾	\$ 0				⁽³⁾	⁽³⁾	Common Stock	15,256
	Employee Stock Option	\$ 43.64				02/12/2011 ⁽¹⁾	02/12/2020	Common Stock	64,818
	Performance Restricted Stock Unit ⁽²⁾	\$ 0				⁽³⁾	⁽³⁾	Common Stock	7,122
	Employee Stock Option	\$ 55.81	02/11/2011	A	47,170	02/11/2012 ⁽¹⁾	02/11/2021	Common Stock	47,170
		\$ 0	02/11/2011	A	6,258	⁽³⁾	⁽³⁾		6,258

Performance
 Restricted
 Stock Unit (2)

Common
 Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Brunner Robert E ILLINOIS TOOL WORKS INC. 3600 WEST LAKE AVENUE GLENVIEW, IL 60026			Executive Vice President	

Signatures

Robert E. Brunner by James H. Wooten, Jr., Senior Vice President, General Counsel & Secretary, Attorney-In-Fact POA on File

02/15/2011

__Signature of Reporting Person

Date

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) Options vest in four (4) equal annual installments beginning one year from date of grant.
- (2) Each qualifying restricted stock unit (QRSU) and performance restricted stock unit (PRSU) represents a contingent right to receive one share of the Company's common stock.
- (3) Each QRSU and PRSU vests 100% three years from the date of grant if performance goals are met.

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.