Edgar Filing: Phillips Donald James II - Form 4

Phillips Do Form 4 August 28,	nald James II 2006											
FORM	OMB APPROVAL											
	UNITED	4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549							OMB Number:	3235-0287		
Check t if no loi	ngor								Expires:	January 31, 2005		
subject Section Form 4	to STATEN 16.	1ENT O	F CHAN	SECUI		FICI	AL OWN	ERSHIP OF	Estimated a burden hour	verage s per		
Form 5	Filed pur	suant to S	Section 1	6(a) of th	ne Securi	ities I	Exchange	Act of 1934,	response	0.5		
Form 5 obligations may continue. 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												
<i>See</i> Instruction 30(h) of the Investment Company Act of 1940 1(b).												
(Print or Type	e Responses)											
1. Name and Philling Do	r Name and Ticker or Trading 5. Relationship of Issuer					f Reporting Person(s) to						
r minps DC	onald James II		Symbol Mornin	ngstar, Inc. [MORN]								
(Last)	(First) (l	Middle)		f Earliest Transaction (Check all applicable))		
	NINGSTAR, INC	225	(Month/I 08/25/2	Day/Year)				X Director 10% Owner X Officer (give title Other (specify				
	ACKER DRIVE	., 223	08/23/2	.000				below) below) Managing Director				
	(Street)		4. If Am	endment, Date Original 6. Individual or Joint/Group Filing(Check						g(Check		
			Filed(Mo	nth/Day/Year)				Applicable Line) _X_ Form filed by One Reporting Person				
CHICAGO), IL 60606							Form filed by Mo Person				
(City)	(State)	(Zip)	Tab	le I - Non-l	Derivative	e Secu	rities Acqu	ired, Disposed of,	or Beneficiall	y Owned		
1.Title of Security	2. Transaction Date (Month/Day/Year)	2A. Deem Execution						5. Amount of Securities	6. Ownership	7. Nature of Indirect		
(Instr. 3)	(intoining Duy) Tear)	any	ŕ	Code (Instr. 3, 4 and 5)				Beneficially Owned	Form: Be	Beneficial		
		(Month/D	(Instr. 8)				Following	Ownership (Instr. 4)				
								Reported	(I)			
						(A)		Transaction(s)	(Instr. 4)			
				Code V	Amount	or	Price		(Instr. 4)			
Common Stock	08/25/2006			Code V M	Amount 6,622	or	Price \$ 2.77	Transaction(s)	(Instr. 4) D			
	08/25/2006 08/25/2006					or (D)		Transaction(s) (Instr. 3 and 4)				
Stock Common				М	6,622	or (D) A	\$ 2.77	Transaction(s) (Instr. 3 and 4) 205,879	D			
Stock Common Stock Common	08/25/2006			M S <u>(1)</u>	6,622 100	or (D) A D	\$ 2.77 \$ 36.68	Transaction(s) (Instr. 3 and 4) 205,879 205,779	D D			

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Common Stock	08/25/2006	S <u>(1)</u>	100	D	\$ 36.7383	205,379	D
Common Stock	08/25/2006	S <u>(1)</u>	200	D	\$ 36.78	205,179	D
Common Stock	08/25/2006	S <u>(1)</u>	340	D	\$ 36.79	204,839	D
Common Stock	08/25/2006	S <u>(1)</u>	200	D	\$ 36.8	204,639	D
Common Stock	08/25/2006	S <u>(1)</u>	140	D	\$ 36.81	204,499	D
Common Stock	08/25/2006	S <u>(1)</u>	160	D	\$ 36.82	204,339	D
Common Stock	08/25/2006	S <u>(1)</u>	239	D	\$ 36.85	204,100	D
Common Stock	08/25/2006	S <u>(1)</u>	100	D	\$ 36.86	204,000	D
Common Stock	08/25/2006	S <u>(1)</u>	100	D	\$ 36.8689	203,900	D
Common Stock	08/25/2006	S <u>(1)</u>	100	D	\$ 36.87	203,800	D
Common Stock	08/25/2006	S <u>(1)</u>	261	D	\$ 36.88	203,539	D
Common Stock	08/25/2006	S <u>(1)</u>	100	D	\$ 36.9055	203,439	D
Common Stock	08/25/2006	S <u>(1)</u>	2	D	\$ 36.91	203,437	D
Common Stock	08/25/2006	S <u>(1)</u>	258	D	\$ 36.92	203,179	D
Common Stock	08/25/2006	S <u>(1)</u>	200	D	\$ 36.93	202,979	D
Common Stock	08/25/2006	S <u>(1)</u>	282	D	\$ 36.94	202,697	D
Common Stock	08/25/2006	S <u>(1)</u>	18	D	\$ 36.95	202,679	D
Common Stock	08/25/2006	S <u>(1)</u>	200	D	\$ 36.9595	202,479	D
Common Stock	08/25/2006	S <u>(1)</u>	196	D	\$ 36.97	202,283	D
Common Stock	08/25/2006	S <u>(1)</u>	500	D	\$ 36.98	201,783	D
	08/25/2006	S <u>(1)</u>	4	D	\$ 36.99	201,779	D

Common Stock

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

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 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)	Transaction of Derivative Code Securities		6. Date Exercisable and Expiration Date (Month/Day/Year)		Amount of 8 Securities I 4) S (
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 2.77	08/25/2006		М	6,622 (2)	(3)	02/15/2009	Common	6,622

Reporting Owners

Reporting Owner Name / Address	Relationships							
	Director	10% Owner	Officer	Other				
Phillips Donald James II C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606	X		Managing Director					
Signatures								
/s/ Rachel Felsenthal, by power attorney	of	08/28/	/2006					
**Signature of Reporting Person		D	ate					

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 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.

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.