

Morningstar, Inc.  
Form 3  
May 02, 2005

**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 Williams David W</p> <p>(Last) (First) (Middle)</p> <p>C/O MORNINGSTAR,<br/>INC.,Â 225 WEST WACKER<br/>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>05/02/2005</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<br/><input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other<br/>(give title below) (specify below)<br/>Managing Director, Design</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<br/><input type="checkbox"/> Form filed by More than One Reporting Person</p> |
|---|---|--|---|---|---|

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock                       | 4,736  | 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)**

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|---|---|--|---|---|--|
|---|---|--|---|---|--|

Edgar Filing: Morningstar, Inc. - Form 3

|                             | Date<br>Exercisable | Expiration<br>Date | Title        | Amount or<br>Number of<br>Shares | Security            | Direct (D)<br>or Indirect<br>(I)<br>(Instr. 5) |   |
|-----------------------------|---------------------|--------------------|--------------|----------------------------------|---------------------|--|---|
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 06/30/2007         | Common Stock | 785                              | \$ 2                | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 06/30/2008         | Common Stock | 1,335                            | \$ 2.77             | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 12/01/2008         | Common Stock | 1,596                            | \$ 2.77             | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 12/01/2008         | Common Stock | 3,192                            | \$ 2.77             | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 06/30/2008         | Common Stock | 2,670                            | \$ 2.77             | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 12/31/2007         | Common Stock | 24,000                           | \$ 2                | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 06/30/2009         | Common Stock | 1,362                            | \$ 10.98            | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 06/30/2009         | Common Stock | 2,754                            | \$ 10.98            | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 12/01/2009         | Common Stock | 1,191                            | \$ 10.98            | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 12/01/2009         | Common Stock | 2,379                            | \$ 10.98            | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 03/17/2010         | Common Stock | 15,000                           | \$ 14.13            | D  | Â |
| Stock Option (Right to Buy) | Â <u>(1)</u>        | 05/01/2010         | Common Stock | 53,000                           | \$ 14.13            | D  | Â |
| Stock Option (Right to Buy) | Â <u>(2)</u>        | 05/01/2011         | Common Stock | 7,500                            | \$ 14.13            | D  | Â |
| Stock Option (Right to Buy) | Â <u>(2)</u>        | 05/01/2011         | Common Stock | 7,500                            | \$ 14.13            | D  | Â |
| Stock Option (Right to Buy) | Â <u>(3)</u>        | 05/01/2012         | Common Stock | 10,000                           | \$ 10.95            | D  | Â |
| Stock Option (Right to Buy) | Â <u>(4)</u>        | 05/01/2013         | Common Stock | 10,000                           | \$ 8.57             | D  | Â |
| Stock Option (Right to Buy) | Â <u>(5)</u>        | 12/01/2014         | Common Stock | 55,000                           | \$ 14.96 <u>(6)</u> | D  | Â |

## Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

## Edgar Filing: Morningstar, Inc. - Form 3

Director 10% Owner Officer Other

Williams David W  
C/O MORNINGSTAR, INC.  
225 WEST WACKER DRIVE  
CHICAGO, IL 60606

Â      Â      Â Managing Director, Design Â

## Signatures

/s/ Peter Olson, by power of  
attorney

05/02/2005

\*\*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) Immediately exercisable.
  - (2) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2002.
  - (3) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2003.
  - (4) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2004.
  - (5) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2005.
- 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 April, 30, 2005, the exercise price was \$14.96.

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.