

Boudos Martha Dustin
Form 4
October 10, 2006

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Boudos Martha Dustin

(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
(Month/Day/Year)

10/09/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title below) ____ Other (specify below)

Chief Financial Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D)	Price	
Common Stock	10/09/2006		M		5,681	A \$ 8.57	31,455 D
Common Stock	10/09/2006		S ⁽²⁾		181	D \$ 39.85	31,274 D
Common Stock	10/09/2006		S ⁽²⁾		100	D \$ 39.88	31,174 D
Common Stock	10/09/2006		S ⁽²⁾		100	D \$ 39.89	31,074 D
Common Stock	10/09/2006		S ⁽²⁾		100	D \$ 39.9	30,974 D

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Common Stock	10/09/2006	<u>S</u> (2)	300	D	\$ 39.91	30,674	D
Common Stock	10/09/2006	<u>S</u> (2)	400	D	\$ 39.92	30,274	D
Common Stock	10/09/2006	<u>S</u> (2)	200	D	\$ 39.93	30,074	D
Common Stock	10/09/2006	<u>S</u> (2)	300	D	\$ 39.94	29,774	D
Common Stock	10/09/2006	<u>S</u> (2)	300	D	\$ 39.95	29,474	D
Common Stock	10/09/2006	<u>S</u> (2)	400	D	\$ 39.96	29,074	D
Common Stock	10/09/2006	<u>S</u> (2)	400	D	\$ 39.97	28,674	D
Common Stock	10/09/2006	<u>S</u> (2)	50	D	\$ 39.98	28,624	D
Common Stock	10/09/2006	<u>S</u> (2)	200	D	\$ 40	28,424	D
Common Stock	10/09/2006	<u>S</u> (2)	300	D	\$ 40.01	28,124	D
Common Stock	10/09/2006	<u>S</u> (2)	150	D	\$ 40.03	27,974	D
Common Stock	10/09/2006	<u>S</u> (2)	100	D	\$ 40.07	27,874	D
Common Stock	10/09/2006	<u>S</u> (2)	100	D	\$ 40.1	27,774	D
Common Stock	10/09/2006	<u>S</u> (2)	200	D	\$ 40.11	27,574	D
Common Stock	10/09/2006	<u>S</u> (2)	100	D	\$ 40.12	27,474	D
Common Stock	10/09/2006	<u>S</u> (2)	100	D	\$ 40.13	27,374	D
Common Stock	10/09/2006	<u>S</u> (2)	100	D	\$ 40.14	27,274	D
Common Stock	10/09/2006	<u>S</u> (2)	100	D	\$ 40.15	27,174	D
Common Stock	10/09/2006	<u>S</u> (2)	100	D	\$ 40.16	27,074	D
Common Stock	10/09/2006	<u>S</u> (2)	100	D	\$ 40.17	26,974	D
	10/09/2006	<u>S</u> (2)	382	D		26,592	D

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Common Stock						\$ 40.18	
Common Stock	10/09/2006	S ⁽²⁾	300	D		\$ 40.19	26,292 D
Common Stock	10/09/2006	S ⁽²⁾	200	D		\$ 40.2	26,092 D
Common Stock	10/09/2006	S ⁽²⁾	200	D		\$ 40.22	25,892 D

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. Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 8.57	10/09/2006		M	5,681	⁽¹⁾ 05/01/2013	Common Stock	5,681

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Boudos Martha Dustin C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606	Chief Financial Officer

Signatures

/s/ Rachel Felsenthal, by power of
attorney

10/10/2006

__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) The options become exercisable in four equal installments on May 1, 2004, 2005, 2006 and 2007.
 - (2) 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.

Remarks:

Form 1 of 2

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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