

Morningstar, Inc.
Form 4
July 25, 2006

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 *
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)

07/24/2006

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)

Chief Financial Officer

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	07/24/2006		M	V	\$ 10.95	18,882	D
Common Stock	07/24/2006		S ⁽²⁾		\$ 36.71	18,816	D
Common Stock	07/24/2006		S ⁽²⁾		\$ 36.74	18,782	D
Common Stock	07/24/2006		S ⁽²⁾		\$ 36.75	18,682	D
Common Stock	07/24/2006		S ⁽²⁾		\$ 36.78	18,382	D

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Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 36.92	18,282	D
Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 36.95	18,182	D
Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 36.97	18,082	D
Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 37	17,982	D
Common Stock	07/24/2006	<u>S</u> (2)	182	D	\$ 37.01	17,800	D
Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 37.02	17,700	D
Common Stock	07/24/2006	<u>S</u> (2)	18	D	\$ 37.03	17,682	D
Common Stock	07/24/2006	<u>S</u> (2)	200	D	\$ 37.04	17,482	D
Common Stock	07/24/2006	<u>S</u> (2)	300	D	\$ 37.08	17,182	D
Common Stock	07/24/2006	<u>S</u> (2)	181	D	\$ 37.11	17,001	D
Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 37.12	16,901	D
Common Stock	07/24/2006	<u>S</u> (2)	195	D	\$ 37.16	16,706	D
Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 37.17	16,606	D
Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 37.18	16,506	D
Common Stock	07/24/2006	<u>S</u> (2)	300	D	\$ 37.19	16,206	D
Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 37.21	16,106	D
Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 37.22	16,006	D
Common Stock	07/24/2006	<u>S</u> (2)	100	D	\$ 37.23	15,906	D
Common Stock	07/24/2006	<u>S</u> (2)	180	D	\$ 37.25	15,726	D
Common Stock	07/24/2006	<u>S</u> (2)	200	D	\$ 37.26	15,526	D
	07/24/2006	<u>S</u> (2)	100	D		15,426	D

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Common Stock					\$ 37.27		
Common Stock	07/24/2006	S ⁽²⁾	125	D	\$ 37.28	15,301	D
Common Stock	07/24/2006	S ⁽²⁾	100	D	\$ 37.29	15,201	D
Common Stock	07/24/2006	S ⁽²⁾	100	D	\$ 37.3	15,101	D

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

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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)	\$ 10.95	07/24/2006		M	5,681	⁽¹⁾ 05/01/2012	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

07/25/2006

__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 became exercisable in four equal installments on May 1, 2003, 2004, 2005 and 2006.
 - (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

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