

Morningstar, Inc.
Form 4
July 18, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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)
07/17/2006

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 07/17/2006 | | S(1) | | 121 | D | \$ 38 15,630 |
| Common Stock | 07/17/2006 | | S(1) | | 90 | D | \$ 38.01 15,540 |
| Common Stock | 07/17/2006 | | S(1) | | 72 | D | \$ 38.03 15,468 |
| Common Stock | 07/17/2006 | | S(1) | | 116 | D | \$ 38.04 15,352 |
| Common Stock | 07/17/2006 | | S(1) | | 45 | D | \$ 38.05 15,307 |

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| | | | | | | | |
|--------------|------------|-------------|-----|---|------------|--------|---|
| Common Stock | 07/17/2006 | <u>S(1)</u> | 45 | D | \$ 38.06 | 15,262 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 45 | D | \$ 38.07 | 15,217 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 170 | D | \$ 38.08 | 15,047 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 44 | D | \$ 38.09 | 15,003 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 290 | D | \$ 38.1 | 14,713 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 90 | D | \$ 38.11 | 14,623 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 45 | D | \$ 38.12 | 14,578 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 54 | D | \$ 38.13 | 14,524 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 215 | D | \$ 38.14 | 14,309 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 45 | D | \$ 38.1511 | 14,264 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 224 | D | \$ 38.16 | 14,040 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 24 | D | \$ 38.17 | 14,016 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 224 | D | \$ 38.18 | 13,792 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 44 | D | \$ 38.1867 | 13,748 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 45 | D | \$ 38.1873 | 13,703 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 45 | D | \$ 38.2 | 13,658 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 278 | D | \$ 38.21 | 13,380 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 134 | D | \$ 38.22 | 13,246 | D |
| Common Stock | 07/17/2006 | <u>S(1)</u> | 45 | D | \$ 38.24 | 13,201 | D |

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

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SEC 1474
(9-02)

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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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Transaction (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

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

07/18/2006

**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 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 2 of 2

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