

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(f) of the
Investment Company Act of 1940

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 (MM/DD/YYYY) 10/23/2006 4. If Amendment, Date Original Filed (MM/DD/YYYY)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chief Financial Officer 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. 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	10/23/2006		M		5681	A	\$8.57	31455	D	
Common Stock	10/23/2006		S	(2)	100	D	\$41.8533	31355	D	
Common Stock	10/23/2006		S	(2)	100	D	\$42.06	31255	D	
Common Stock	10/23/2006		S	(2)	300	D	\$42.20	30955	D	
Common Stock	10/23/2006		S	(2)	100	D	\$42.22	30855	D	
Common Stock	10/23/2006		S	(2)	81	D	\$42.23	30774	D	
Common Stock	10/23/2006		S	(2)	100	D	\$42.24	30674	D	
Common Stock	10/23/2006		S	(2)	100	D	\$42.25	30574	D	
Common Stock	10/23/2006		S	(2)	200	D	\$42.27	30374	D	
Common Stock	10/23/2006		S	(2)	200	D	\$42.28	30174	D	
Common Stock	10/23/2006		S	(2)	200	D	\$42.29	29974	D	
Common Stock	10/23/2006		S	(2)	357	D	\$42.33	29617	D	
Common Stock	10/23/2006		S	(2)	200	D	\$42.34	29417	D	
Common Stock	10/23/2006		S	(2)	43	D	\$42.35	29374	D	
Common Stock	10/23/2006		S	(2)	100	D	\$42.36	29274	D	
Common Stock	10/23/2006		S	(2)	100	D	\$42.37	28174	D	
Common Stock	10/23/2006		S	(2)	100	D	\$42.38	29074	D	

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			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/23/2006		S (2)		100	D	\$42.43	28974	D	
Common Stock	10/23/2006		S (2)		100	D	\$42.47	28874	D	
Common Stock	10/23/2006		S (2)		100	D	\$42.48	28774	D	
Common Stock	10/23/2006		S (2)		500	D	\$42.49	28274	D	
Common Stock	10/23/2006		S (2)		71	D	\$42.50	28203	D	
Common Stock	10/23/2006		S (2)		10	D	\$42.52	28193	D	
Common Stock	10/23/2006		S (2)		229	D	\$42.55	27964	D	
Common Stock	10/23/2006		S (2)		200	D	\$42.56	27764	D	
Common Stock	10/23/2006		S (2)		190	D	\$42.58	27574	D	
Common Stock	10/23/2006		S (2)		400	D	\$42.60	27174	D	
Common Stock	10/23/2006		S (2)		100	D	\$42.64	27074	D	
Common Stock	10/23/2006		S (2)		200	D	\$42.65	26874	D	

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. 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		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		(A)	(D)	Date Exercisable	Expiration Date				
Employee Stock Option (Right to Buy)	\$8.57	10/23/2006		M		5681	(1)	5/1/2013	Common Stock	5681	\$0	30699	D	

Explanation of Responses:

- (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

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

10/24/2006

** Signature of Reporting Person

Date

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

* 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).

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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