FORM 4

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

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 *

Phillips Donald James II
(Last) (First) (Middle)
C/O MORNINGSTAR, INC., 225 WEST WACKER DRIVE
CHICAGO, IL 60606

2. Issuer Name and Ticker or Trading Symbol

Morningstar, Inc. [ MORN ]

3. Date of Earliest Transaction (MM/DD/YYYY)

9/26/2006

5. Relationship of Reporting Person(s) to Issuer

(X) Director
(X) 10% Owner
(X) Officer (give title below)
( ) Other (specify below)
Managing Director

4. If Amendment, Date Original Filed (MM/DD/YYYY)

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

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Trans. Date</th>
<th>Trans. Code (Instr. 3)</th>
<th>Securities Acquired (A) or Disposed of (D) (Instr. 3 and 4)</th>
<th>Amount or Number of Shares</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>9/26/2006</td>
<td>S (1)</td>
<td>300 D</td>
<td>$37.30</td>
<td>199957 D</td>
</tr>
<tr>
<td>Common Stock</td>
<td>9/26/2006</td>
<td>S (1)</td>
<td>100 D</td>
<td>$37.31</td>
<td>199857 D</td>
</tr>
<tr>
<td>Common Stock</td>
<td>9/26/2006</td>
<td>S (1)</td>
<td>200 D</td>
<td>$37.32</td>
<td>199657 D</td>
</tr>
<tr>
<td>Common Stock</td>
<td>9/26/2006</td>
<td>S (1)</td>
<td>200 D</td>
<td>$37.35</td>
<td>199457 D</td>
</tr>
<tr>
<td>Common Stock</td>
<td>9/26/2006</td>
<td>S (1)</td>
<td>200 D</td>
<td>$37.36</td>
<td>199257 D</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Title of Derivative Security (Instr. 3)</th>
<th>Conversion or Exercise Price of Derivative Security</th>
<th>Trans. Date</th>
<th>Deemed Execution Date, if any</th>
<th>Trans. Code (Instr. 8)</th>
<th>Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>Date Exercisable and Expiration Date</th>
<th>Title of Securities Underlying Derivative Security (Instr. 3 and 4)</th>
<th>Price of Derivative Security (Instr. 5)</th>
<th>Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)</th>
<th>Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>9/26/2006</td>
<td>S (1)</td>
<td>(A)</td>
<td>Date Exercisable and Expiration Date</td>
<td>Title Amount or Number of Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:

(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

Reporting Owners

<table>
<thead>
<tr>
<th>Reporting Owner Name / Address</th>
<th>Relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Director 10% Owner Officer Other</td>
</tr>
</tbody>
</table>
Signatures


** 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).


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