FORM 4

[ ] Check this box if no longer subject to Section 16.
Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
FRANCIS CHERYL A
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)
10/26/2006

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

___ Director
X__ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

4. If Amendment, Date Original Filed

6. Individual or Joint/Group Filing (Check Applicable Line)

_ Form filed by One Reporting Person
X _ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Trans. Date</th>
<th>2A. Deemed Execution Date, if any</th>
<th>3. Trans. Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>10/26/2006</td>
<td>M</td>
<td>500 A</td>
<td>$8.57</td>
<td>2973</td>
</tr>
<tr>
<td>Common Stock</td>
<td>10/27/2006</td>
<td>M</td>
<td>500 A</td>
<td>$8.57</td>
<td>3473</td>
</tr>
<tr>
<td>Common Stock</td>
<td>10/26/2006</td>
<td>S (2)</td>
<td>500 D</td>
<td>$42.52</td>
<td>2973</td>
</tr>
<tr>
<td>Common Stock</td>
<td>10/27/2006</td>
<td>S (2)</td>
<td>500 D</td>
<td>$42.92</td>
<td>2473</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>1. Title of Derivate Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Trans. Date</th>
<th>3A. Deemed Execution Date, if any</th>
<th>4. Trans. Code (Instr. 8)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>6. Date Exercisable and Expiration Date</th>
<th>7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Stock Option (Right to Buy)</td>
<td>$8.57</td>
<td>10/26/2006</td>
<td>M</td>
<td>(1)</td>
<td>7/19/2012</td>
<td>Common Stock</td>
<td>500</td>
<td>$0</td>
<td>48000</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Employee Stock Option (Right to Buy)</td>
<td>$8.57</td>
<td>10/27/2006</td>
<td>M</td>
<td>(1)</td>
<td>7/19/2012</td>
<td>Common Stock</td>
<td>500</td>
<td>$0</td>
<td>47500</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:
(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.

Reporting Owners
<table>
<thead>
<tr>
<th>Reporting Owner Name / Address</th>
<th>Relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRANCIS CHERYL A C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606</td>
<td>X</td>
</tr>
</tbody>
</table>

Signatures
/s/ Heidi Miller, by power of attorney 10/27/2006

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.