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)

7/5/2006

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

5. Relationship of Reporting Person(s) to Issuer

X Director

10% Owner

Officer (give title below)

Other (specify below)

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>Code</th>
<th>Trans. Code</th>
<th>Securities Acquired or Disposed of (A) or Disposed of (D)</th>
<th>Amount</th>
<th>Price</th>
<th>Ownership Form</th>
<th>Nature of Indirect Beneficial Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>7/5/2006</td>
<td>M</td>
<td>500</td>
<td>A</td>
<td>$8.57</td>
<td>2973</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>7/6/2006</td>
<td>M</td>
<td>500</td>
<td>D</td>
<td>$8.57</td>
<td>3473</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>7/5/2006</td>
<td>S (2)</td>
<td>500</td>
<td>(2)</td>
<td>$42.52</td>
<td>2973</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>7/6/2006</td>
<td>S (2)</td>
<td>500</td>
<td>(2)</td>
<td>$41.20</td>
<td>2473</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Title of Derivate Security</th>
<th>Conversion or Exercise Price of Derivative Security</th>
<th>Trans. Date</th>
<th>Code</th>
<th>Trans. Code</th>
<th>Exercisable Date</th>
<th>Expiration Date</th>
<th>Title of Underlying Derivative Security</th>
<th>Amount of Securities Beneficially Owned Following Reported Transaction(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Stock Option</td>
<td>$8.57</td>
<td>7/5/2006</td>
<td>M</td>
<td>500</td>
<td>(1)</td>
<td>7/19/2012</td>
<td>Common Stock</td>
<td>500 $0 58000 D</td>
</tr>
<tr>
<td>Employee Stock Option</td>
<td>$8.57</td>
<td>7/6/2006</td>
<td>M</td>
<td>500</td>
<td>(1)</td>
<td>7/19/2012</td>
<td>Common Stock</td>
<td>500 $0 57500 D</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

Relationships
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.