

# 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**

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**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

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|--|---|--|
| <b>1. Name and Address of Reporting Person *</b><br><br><b>FRANCIS CHERYL A</b><br><small>(Last) (First) (Middle)</small><br><br><b>C/O MORNINGSTAR, INC., 225<br/>WEST WACKER DRIVE</b><br><small>(Street)</small><br><br><b>CHICAGO, IL 60606</b><br><small>(City) (State) (Zip)</small> | <b>2. Issuer Name and Ticker or Trading Symbol</b><br><br><b>Morningstar, Inc. [ MORN ]</b><br><br><b>3. Date of Earliest Transaction (MM/DD/YYYY)</b><br><br><p align="center"><b>10/24/2006</b></p> | <b>5. Relationship of Reporting Person(s) to Issuer (Check all applicable)</b><br><br><input checked="" type="checkbox"/> Director <span style="float:right">_____ 10% Owner</span><br>_____ Officer (give title below) <span style="float:right">_____ Other (specify below)</span><br><br><b>6. Individual or Joint/Group Filing (Check Applicable Line)</b><br><br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br>_____ Form filed by More than One Reporting Person |
| <b>4. If Amendment, Date Original Filed (MM/DD/YYYY)</b>   |   |  |

**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                    | 10/24/2006     |                                   | M                         |   | 500   | A          | \$8.57  | 2973  | D  |   |
| Common Stock                    | 10/25/2006     |                                   | M                         |   | 500   | A          | \$8.57  | 3473  | D  |   |
| Common Stock                    | 10/24/2006     |                                   | S (2)                     |   | 500   | D          | \$42.19 | 2973  | D  |   |
| Common Stock                    | 10/25/2006     |                                   | S (2)                     |   | 500   | D          | \$42.18 | 2473  | 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 | Title   | Amount or Number of Shares |  |   |  |  |
| Employee Stock Option (Right to Buy)     | \$8.57   | 10/24/2006     |                                   | M                         |   | 500  |     | (1)                                     | 7/19/2012       | Common Stock  | 500                        | \$0  | 49000   | D  |  |
| Employee Stock Option (Right to Buy)     | \$8.57   | 10/25/2006     |                                   | M                         |   | 500  |     | (1)                                     | 7/19/2012       | Common Stock  | 500                        | \$0  | 48500   | D  |  |

**Explanation of Responses:**

- (1) The options became exercisable in three equal installments on July 19, 2003, 2004 and 2005.
- (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**

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| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| FRANCIS CHERYL A<br>C/O MORNINGSTAR, INC.<br>225 WEST WACKER DRIVE<br>CHICAGO, IL 60606 | X             |           |         |       |

**Signatures**

/s/ Rachel Felsenthal, by power of attorney

10/25/2006

\*\* 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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