

Morningstar, Inc.  
 Form 4  
 September 20, 2006

**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(h) of the Investment Company Act of 1940

(Print or Type Responses)

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 (Month/Day/Year)  
 09/18/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 Chief Financial Officer

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

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction 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 or Price   |  |   |
| Common Stock                    | 09/18/2006                           |  | M                              |   | 5,681 A \$ 8.57   | 31,455   | D   |
| Common Stock                    | 09/18/2006                           |  | S <sup>(2)</sup>               |   | 100 D \$ 36.76  | 31,355   | D   |
| Common Stock                    | 09/18/2006                           |  | S <sup>(2)</sup>               |   | 100 D \$ 36.7725  | 31,255   | D   |
| Common Stock                    | 09/18/2006                           |  | S <sup>(2)</sup>               |   | 100 D \$ 36.84  | 31,155   | D   |
| Common Stock                    | 09/18/2006                           |  | S <sup>(2)</sup>               |   | 200 D \$ 36.86  | 30,955   | D   |

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|              |            |             |     |   |          |        |   |
|--------------|------------|-------------|-----|---|----------|--------|---|
| Common Stock | 09/18/2006 | <u>S(2)</u> | 100 | D | \$ 36.89 | 30,855 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 100 | D | \$ 36.9  | 30,755 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 200 | D | \$ 36.93 | 30,555 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 300 | D | \$ 36.95 | 30,255 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 300 | D | \$ 36.98 | 29,955 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 700 | D | \$ 36.99 | 29,255 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 65  | D | \$ 37.01 | 29,190 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 100 | D | \$ 37.02 | 29,090 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 200 | D | \$ 37.05 | 28,890 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 100 | D | \$ 37.06 | 28,790 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 100 | D | \$ 37.08 | 28,690 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 35  | D | \$ 37.09 | 28,655 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 100 | D | \$ 37.1  | 28,555 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 100 | D | \$ 37.11 | 28,455 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 100 | D | \$ 37.13 | 28,355 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 200 | D | \$ 37.14 | 28,155 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 300 | D | \$ 37.15 | 27,855 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 200 | D | \$ 37.16 | 27,655 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 300 | D | \$ 37.17 | 27,355 | D |
| Common Stock | 09/18/2006 | <u>S(2)</u> | 200 | D | \$ 37.21 | 27,155 | D |
|              | 09/18/2006 | <u>S(2)</u> | 100 | D | \$ 37.25 | 27,055 | D |

Common  
Stock

|                 |            |                  |     |   |          |        |   |
|-----------------|------------|------------------|-----|---|----------|--------|---|
| Common<br>Stock | 09/18/2006 | S <sup>(2)</sup> | 100 | D | \$ 37.3  | 26,955 | D |
| Common<br>Stock | 09/18/2006 | S <sup>(2)</sup> | 200 | D | \$ 37.32 | 26,755 | D |
| Common<br>Stock | 09/18/2006 | S <sup>(2)</sup> | 150 | D | \$ 37.51 | 26,605 | D |

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

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction 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 (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option (Right to Buy)       | \$ 8.57  | 09/18/2006                           |  | M                              | 5,681   | <sup>(1)</sup> 05/01/2013                                | Common Stock  | 5,681                         |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                         |       |
|---|---------------|-----------|-------------------------|-------|
|   | Director      | 10% Owner | Officer                 | Other |
| Boudos Martha Dustin<br>C/O MORNINGSTAR, INC.<br>225 WEST WACKER DRIVE<br>CHICAGO, IL 60606 |               |           | Chief Financial Officer |       |

## Signatures

/s/ Rachel Felsenthal, by power of  
attorney

09/20/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* 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).
- (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

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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