

Morningstar, Inc.
Form 4
October 18, 2006

FORM 4

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

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Boruff Christopher P

(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)
10/17/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

President, Advisor Business

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

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D) Price			
Common Stock	10/17/2006		M		6,405	A \$ 14.13	28,163	D	
Common Stock	10/17/2006		S ⁽¹⁾		5,105	D \$ 41	23,058	D	
Common Stock	10/17/2006		S ⁽¹⁾		200	D \$ 41.03	22,858	D	
Common Stock	10/17/2006		S ⁽¹⁾		200	D \$ 41.04	22,658	D	
Common Stock	10/17/2006		S ⁽¹⁾		400	D \$ 41.05	22,258	D	

Edgar Filing: Morningstar, Inc. - Form 4

Common Stock	10/17/2006	S ⁽¹⁾	200	D	\$ 41.06	22,058	D
Common Stock	10/17/2006	S ⁽¹⁾	100	D	\$ 41.08	21,958	D
Common Stock	10/17/2006	S ⁽¹⁾	100	D	\$ 41.1	21,858	D
Common Stock	10/17/2006	S ⁽¹⁾	100	D	\$ 41.21	21,758	D

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

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.

SEC 1474
(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. Date of Acquisition or Disposition (Instr. 3, 4, and 5)
Employee Stock Option (Right to Buy)	\$ 14.13	10/17/2006		M	6,405	⁽²⁾ 05/01/2010	Common Stock	6,405

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Boruff Christopher P C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606	President, Advisor Business

Signatures

/s/ Rachel Felsenthal, by power of
attorney

10/18/2006

__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 exercise reported on this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on March 26, 2006.
- (2) The options became exercisable in four equal installments on May 1, 2001, 2002, 2003 and 2004.

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

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.