

Morningstar, Inc.  
Form 4  
November 08, 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 \*  
Desmond Bevin

(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)  
11/06/2006

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)

President, Int'l Business

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	11/06/2006		M		5,758	A	\$ 19.6912 (5)
Common Stock	11/06/2006		M		7,500	A	\$ 8.57
Common Stock	11/06/2006		M		1,939	A	\$ 10.95
Common Stock	11/07/2006		M		7,870	A	\$ 10.95
Common Stock	11/06/2006		S(4)		571	D	\$ 45

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Common Stock	11/06/2006	<u>S(4)</u>	778	D	\$ 45.01	35,299	D
Common Stock	11/06/2006	<u>S(4)</u>	38	D	\$ 45.0146	35,261	D
Common Stock	11/06/2006	<u>S(4)</u>	498	D	\$ 45.02	34,763	D
Common Stock	11/06/2006	<u>S(4)</u>	152	D	\$ 45.03	34,611	D
Common Stock	11/06/2006	<u>S(4)</u>	727	D	\$ 45.04	33,884	D
Common Stock	11/06/2006	<u>S(4)</u>	441	D	\$ 45.06	33,443	D
Common Stock	11/06/2006	<u>S(4)</u>	38	D	\$ 45.0653	33,405	D
Common Stock	11/06/2006	<u>S(4)</u>	456	D	\$ 45.07	32,949	D
Common Stock	11/06/2006	<u>S(4)</u>	610	D	\$ 45.08	32,339	D
Common Stock	11/06/2006	<u>S(4)</u>	38	D	\$ 45.0861	32,301	D
Common Stock	11/06/2006	<u>S(4)</u>	343	D	\$ 45.09	31,958	D
Common Stock	11/06/2006	<u>S(4)</u>	38	D	\$ 45.1	31,920	D
Common Stock	11/06/2006	<u>S(4)</u>	38	D	\$ 45.1047	31,882	D
Common Stock	11/06/2006	<u>S(4)</u>	38	D	\$ 45.1071	31,844	D
Common Stock	11/06/2006	<u>S(4)</u>	343	D	\$ 45.11	31,501	D
Common Stock	11/06/2006	<u>S(4)</u>	190	D	\$ 45.12	31,311	D
Common Stock	11/06/2006	<u>S(4)</u>	305	D	\$ 45.13	31,006	D
Common Stock	11/06/2006	<u>S(4)</u>	38	D	\$ 45.1371	30,968	D
Common Stock	11/06/2006	<u>S(4)</u>	724	D	\$ 45.14	30,244	D
Common Stock	11/06/2006	<u>S(4)</u>	534	D	\$ 45.15	29,710	D
	11/06/2006	<u>S(4)</u>	491	D	\$ 45.16	29,219	D

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Common Stock							
Common Stock	11/06/2006	S <sup>(4)</sup>	152	D	\$ 45.17	29,067	D
Common Stock	11/06/2006	S <sup>(4)</sup>	245	D	\$ 45.19	28,822	D
Common Stock	11/06/2006	S <sup>(4)</sup>	38	D	\$ 45.1973	28,784	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)	\$ 19.6912 <sup>(5)</sup>	11/06/2006		M	5,758	<sup>(1)</sup> 05/02/2015	Common Stock	5,758
Employee Stock Option (Right to Buy)	\$ 8.57	11/06/2006		M	7,500	<sup>(2)</sup> 05/01/2013	Common Stock	7,500
Employee Stock Option (Right to Buy)	\$ 10.95	11/06/2006		M	1,939	<sup>(3)</sup> 05/01/2012	Common Stock	1,939
Employee Stock	\$ 10.95	11/07/2006		M	7,870	<sup>(3)</sup> 05/01/2012	Common Stock	7,870

Option  
(Right to  
Buy)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Desmond Bevin C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606			President, Int'l Business	

## Signatures

/s/ Rachel  
Felsenthal

11/08/2006

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 2, 2006, 2007, 2008 and 2009.
- (2) The options become exercisable in four equal installments on May 1, 2004, 2005, 2006 and 2007.
- (3) The options became exercisable in four equal installments on May 1, 2003, 2004, 2005 and 2006.
- (4) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on June 28, 2006.
- (5) The exercise price increases over the term of the option at a rate equal to the 10-year Treasury bond yield as of the date of grant (\$18.50).  
On November 6, 2006, the exercise price was \$19.6912.

### Remarks:

Form 1 of 3

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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