

Phillips Donald James II
Form 4
August 23, 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 *
Phillips Donald James II

(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)
08/22/2006

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)
Managing Director

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 (A) or Price (D)		
Common Stock	08/22/2006		M		5,000 A \$ 2.77	204,257	D
Common Stock	08/22/2006		S(1)		100 D \$ 37.01	204,157	D
Common Stock	08/22/2006		S(1)		125 D \$ 37.06	204,032	D
Common Stock	08/22/2006		S(1)		75 D \$ 37.09	203,957	D
Common Stock	08/22/2006		S(1)		100 D \$ 37.1	203,857	D

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Common Stock	08/22/2006	<u>S(1)</u>	300	D	\$ 37.11	203,557	D
Common Stock	08/22/2006	<u>S(1)</u>	300	D	\$ 37.12	203,257	D
Common Stock	08/22/2006	<u>S(1)</u>	100	D	\$ 37.22	203,157	D
Common Stock	08/22/2006	<u>S(1)</u>	100	D	\$ 37.23	203,057	D
Common Stock	08/22/2006	<u>S(1)</u>	304	D	\$ 37.24	202,753	D
Common Stock	08/22/2006	<u>S(1)</u>	100	D	\$ 37.25	202,653	D
Common Stock	08/22/2006	<u>S(1)</u>	392	D	\$ 37.27	202,261	D
Common Stock	08/22/2006	<u>S(1)</u>	179	D	\$ 37.28	202,082	D
Common Stock	08/22/2006	<u>S(1)</u>	100	D	\$ 37.29	201,982	D
Common Stock	08/22/2006	<u>S(1)</u>	319	D	\$ 37.3	201,663	D
Common Stock	08/22/2006	<u>S(1)</u>	106	D	\$ 37.32	201,557	D
Common Stock	08/22/2006	<u>S(1)</u>	98	D	\$ 37.4	201,459	D
Common Stock	08/22/2006	<u>S(1)</u>	300	D	\$ 37.41	201,159	D
Common Stock	08/22/2006	<u>S(1)</u>	102	D	\$ 37.43	201,057	D
Common Stock	08/22/2006	<u>S(1)</u>	100	D	\$ 37.44	200,957	D
Common Stock	08/22/2006	<u>S(1)</u>	400	D	\$ 37.45	200,557	D
Common Stock	08/22/2006	<u>S(1)</u>	400	D	\$ 37.46	200,157	D
Common Stock	08/22/2006	<u>S(1)</u> &#					