

Morningstar, Inc.
Form 4
May 22, 2006

FORM 4

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

OMB APPROVAL

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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(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Odelbo Catherine Gillis

(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)
05/19/2006

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)
President, Individual 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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Code V Amount (D) Price | | |

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

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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 | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
| | | | | | | | |

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--------------------------------------|------------------------------|------------------|------------|---|-----------|------------------|-----------------|--------------|----------------------------|
| | | | | Code | V (A) (D) | | | | |
| Employee Stock Option (Right to Buy) | \$ 2 | 05/19/2006 | M | | 3,807 | <u>(1)</u> | 06/28/2006 | Common Stock | 3,807 |
| Employee Stock Option (Right to Buy) | \$ 2 | 05/19/2006 | M | | 12,252 | <u>(1)</u> | 06/28/2006 | Common Stock | 12,252 |
| Employee Stock Option (Right to Buy) | \$ 2 | 05/19/2006 | M | | 5,949 | <u>(2)</u> | 06/30/2007 | Common Stock | 5,949 |
| Employee Stock Option (Right to Buy) | \$ 2.77 | 05/19/2006 | M | | 2,136 | <u>(3)</u> | 06/30/2008 | Common Stock | 2,136 |
| Employee Stock Option (Right to Buy) | \$ 2.77 | 05/19/2006 | M | | 4,272 | <u>(3)</u> | 06/30/2008 | Common Stock | 4,272 |
| Employee Stock Option (Right to Buy) | \$ 2.77 | 05/19/2006 | M | | 2,958 | <u>(4)</u> | 12/01/2008 | Common Stock | 2,958 |
| Employee Stock Option (Right to Buy) | \$ 2.77 | 05/19/2006 | M | | 5,916 | <u>(4)</u> | 12/01/2008 | Common Stock | 5,916 |
| Employee Stock Option (Right to Buy) | \$ 10.98 | 05/19/2006 | M | | 2,523 | <u>(5)</u> | 06/30/2009 | Common Stock | 2,523 |

| | | | | | | | | | |
|--|----------|------------|---|--------|------------|------------|-----------------|--------|--|
| Buy) | | | | | | | | | |
| Employee Stock Option (Right to Buy) | \$ 10.98 | 05/19/2006 | M | 5,106 | <u>(5)</u> | 06/30/2009 | Common Stock | 5,106 | |
| Employee Stock Option (Right to Buy) | \$ 10.98 | 05/19/2006 | M | 2,082 | <u>(6)</u> | 12/01/2009 | Common Stock | 2,082 | |
| Employee Stock Option (Right to Buy) | \$ 10.98 | 05/19/2006 | M | 4,164 | <u>(6)</u> | 12/01/2009 | Common Stock | 4,164 | |
| Employee Stock Option (Right to Buy) | \$ 14.13 | 05/19/2006 | M | 2,500 | <u>(7)</u> | 05/01/2010 | Common Stock | 2,500 | |
| Employee Stock Option (Right to Buy) | \$ 10.95 | 05/19/2006 | M | 10,000 | <u>(8)</u> | 05/01/2012 | Common Stock | 10,000 | |
| Employee Stock Option (Right to Buy) | \$ 8.57 | 05/19/2006 | M | 7,500 | <u>(9)</u> | 05/01/2013 | Common Stock | 7,500 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Odelbo Catherine Gillis C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606 | | | President, Individual Business | |

Signatures

/s/ D. Scott Schilling, by power of attorney

05/22/2006

__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 became exercisable in four equal installments on June 28, 1997, 1998, 1999 and 2000.
- (2) The options became exercisable in four equal installments on June 30, 1998, 1999, 2000 and 2001.
- (3) The options became exercisable in four equal installments on June 30, 1999, 2000, 2001 and 2002.
- (4) The options became exercisable in four equal installments on December 1, 1999, 2000, 2001 and 2002.
- (5) The options became exercisable in four equal installments on June 30, 2000, 2001, 2002 and 2003.
- (6) The options became exercisable in four equal installments on December 1, 2000, 2001, 2002 and 2003.
- (7) The options became exercisable in four equal installments on May 1, 2001, 2002, 2003 and 2004.
- (8) The options became exercisable in four equal installments on May 1, 2003, 2004, 2005 and 2006.
- (9) The options become exercisable in four equal installments on May 1, 2004, 2005, 2006 and 2007.

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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