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

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **March 1, 2006**

**MORNINGSTAR, INC.**

(Exact name of registrant as specified in its charter)

**Illinois**  
(State or other jurisdiction  
of incorporation)

**000-51280**  
(Commission  
File Number)

**36-3297908**  
(I.R.S. Employer  
Identification No.)

**225 West Wacker Drive**  
**Chicago, Illinois**  
(Address of principal executive offices)

**60606**  
(Zip Code)

**(312) 696-6000**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.01. Completion of Acquisition or Disposition of Assets.**

On March 1, 2006, Morningstar, Inc., an Illinois corporation ( Morningstar), completed the acquisition of all the outstanding capital stock Ibbotson Associates, Inc., an Illinois corporation (Ibbotson), from Roger G. Ibbotson, Jody L. Sindelar, The Timothy Ibbotson-Sindelar Spray Trust, and The Tyler Ibbotson-Sindelar Spray Trust (collectively, the Ibbotson Shareholders) for a purchase price of approximately \$83 million in cash, subject to adjustment for working capital and other items. A portion of the purchase price was applied to cancel all outstanding options to purchase Ibbotson stock. Morningstar anticipates realizing approximately \$10 million in cash tax benefits in 2006 related to payment for the cancellation of Ibbotson's stock options.

The terms of the transaction are set forth in the Stock Purchase Agreement dated as of December 9, 2005 among Morningstar and the Ibbotson Shareholders (the Stock Purchase Agreement). Ibbotson owns all the outstanding units of limited liability company interest in Ibbotson Associate Advisors, LLC and 68% of the outstanding shares of Ibbotson Associates Japan Kabushiki Kaisha. Morningstar announced the execution of the Stock Purchase Agreement on December 12, 2005.

The foregoing description of the transaction does not purport to be complete and is qualified in its entirety by reference to the Stock Purchase Agreement that Morningstar filed on December 14, 2005 with its Current Report on Form 8-K announcing the execution of the Stock Purchase Agreement, and that is also listed as Exhibit 2.1 hereto and incorporated herein by reference.

A copy of Morningstar's press release, dated March 1, 2006, which announced the completion of the transaction, is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

- (a) Financial statements of business acquired.

The financial statements required by Rule 3-05(b) of Regulation S-X will be filed by amendment to this Current Report on Form 8-K no later than May 17, 2006.

- (b) Pro forma financial information.

The pro forma financial information required pursuant to Article 11 of Regulation S-X will be filed by amendment to this Current Report on Form 8-K no later than May 17, 2006.

- (d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
2.1	Stock Purchase Agreement dated as of December 9, 2005 by and among Morningstar, Roger G. Ibbotson, Jody L. Sindelar, The Timothy Ibbotson-Sindelar Spray Trust, and The Tyler Ibbotson-Sindelar Spray Trust (incorporated by reference to Exhibit 2.1 of Morningstar's Current Report on Form 8-K filed on December 14, 2005.)
99.1	Press Release dated March 1, 2006.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MORNINGSTAR, INC.

Date: March 1, 2006

By: /s/ Martha Dustin Boudos

Name: Martha Dustin Boudos

Title: Chief Financial Officer

## EXHIBIT INDEX

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99.1	Press Release dated March 1, 2006.

**News Release**

225 West Wacker Drive  
Chicago  
Illinois 60606

Telephone: +1 312 696-6000  
Facsimile: +1 312 696-6009

Morningstar Investment Services, Inc.

**Media Contact:**

Margaret Kirch Cohen 312-696-6383 [margaret.cohen@morningstar.com](mailto:margaret.cohen@morningstar.com)

Investors: Please submit questions to [investors@morningstar.com](mailto:investors@morningstar.com) or by fax to 312-696-6009.

**FOR IMMEDIATE RELEASE****Morningstar, Inc. Completes Acquisition of Ibbotson Associates**

CHICAGO, March 1, 2006 – Morningstar, Inc. (NASDAQ: MORN), a leading provider of independent investment research, today announced it has completed its previously announced acquisition of Ibbotson Associates, a leading provider of asset allocation research and services, for approximately \$83 million in cash, subject to adjustments for working capital and other items. In addition, Morningstar anticipates realizing approximately \$10 million in cash tax benefits in 2006 related to payment for the cancellation of Ibbotson's stock options. Morningstar does not expect charges related to the acquisition to have a significant impact on net income or earnings per share.

Ibbotson Associates was founded by Professor Roger Ibbotson in 1977. The company's business lines include investment advice; investment consulting and research; planning and analysis software; educational and marketing services; and a widely used line of NASD-reviewed presentation materials.

Joe Mansueto, chairman and chief executive officer of Morningstar, said, "Many leading firms turn to Ibbotson because it is a leading authority on asset allocation. Similarly, our clients rely on Morningstar because of our expertise in security selection and investment research. By combining Ibbotson's top-down allocation expertise with our bottom-up, fundamental research, we will be able to deliver an even stronger array of services to investors."

Ibbotson is based in Chicago and employs approximately 150 people. Morningstar plans to retain the majority of Ibbotson's employees.

Roger Ibbotson will serve in an advisory role at Morningstar, reporting to Mansueto. Mike Henkel, president of Ibbotson Associates, will continue to lead Ibbotson's retirement advice and investment consulting businesses, reporting to Tao Huang, chief operating officer of Morningstar. As a wholly owned subsidiary of Morningstar, Inc., Ibbotson Associates will become a new unit of Morningstar's Institutional business segment.

Morningstar Associates, LLC, also offers retirement advice and investment consulting services. Because Ibbotson Associates and Morningstar Associates use different methodologies and platforms, Morningstar will operate the two businesses separately to ensure continuity for current clients. Clients may choose to keep their current service or select from a broader range of offerings under the combined organization.

Ibbotson's EnCorr software product will be integrated into Morningstar's Data Services business, which is part of its Institutional segment. Ibbotson's Portfolio Strategist®, iPlan™, Components, Presentation Materials, and Training businesses will be integrated into Morningstar's Advisor business. Ibbotson's publications business, including the *Stocks, Bonds, Bills and Inflation® Yearbooks*, will be integrated into Morningstar's Individual segment.

Ibbotson had \$37.2 million in revenue for its fiscal year ended June 30, 2005. Morningstar will file a Report on Form 8-K with the Securities and Exchange Commission by May 17 that includes pro forma historical financial statements for the combined company, as well as stand-alone historical financial statements for Ibbotson.

#### **About Morningstar, Inc.**

Morningstar, Inc. is a leading provider of independent investment research in the United States and in major international markets. The company offers an extensive line of Internet, software, and print-based products and services for individuals, financial advisors, and institutions. Morningstar provides data on approximately 145,000 investment offerings, including stocks, mutual funds, and similar vehicles. The company has operations in 16 countries.

#### **Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995**

This press release contains forward-looking statements. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

Other factors that could materially affect actual results, levels of activity, performance, or achievements can be found in Morningstar's filings with the SEC, including Morningstar's Prospectus filed on May 4, 2005. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement you read in this press release reflects our current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.

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