MORNINGSTAR, INC.

FORM 3
(Initial Statement of Beneficial Ownership)

Filed 5/2/2005 For Period Ending 5/2/2005

Address 225 WEST WACKER DRIVE
          CHICAGO, Illinois 60606
Telephone (312) 696-6000
CIK 0001289419
Fiscal Year 12/31
**FORM 3**

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

**INITIAL STATEMENT OF 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

1. **Name and Address of Reporting Person**
   
   Phillips Donald James II
   
   (Last) (First) (Middle)
   
   C/O MORNINGSTAR, INC.,
   225 WEST WACKER DRIVE
   
   CHICAGO, IL 60606
   
   (Street) (City) (State) (Zip)

2. **Date of Event Requiring Statement (MM/DD/YYYY)**
   
   5/2/2005

3. **Issuer Name and Ticker or Trading Symbol**
   
   Morningstar, Inc. [MORN]

4. **Relationship of Reporting Person(s) to Issuer (Check all applicable)**
   
   _X_ Director
   
   _X_ Officer (give title below)
   
   Managing Director /
   
5. **If Amendment, Date Original Filed (MM/DD/YYYY)**
   
   
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 Beneficially Owned**

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Amount of Securities Beneficially Owned</th>
<th>Ownership Form: Direct (D) or Indirect (I)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>178970</td>
<td>D</td>
</tr>
</tbody>
</table>

**Table II - Derivative Securities Beneficially Owned**

<table>
<thead>
<tr>
<th>Title of Derivative Security</th>
<th>Date Exercisable and Expiration Date (MM/DD/YYYY)</th>
<th>Title and Amount of Securities Underlying Derivative Security (Instr. 4)</th>
<th>Conversion or Exercise Price of Derivative Security</th>
<th>Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)</th>
<th>Nature of Indirect Beneficial Ownership (Instr. 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>6/30/2006</td>
<td>Common Stock 2880</td>
<td>$2.00</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>6/28/2006</td>
<td>Common Stock 9258</td>
<td>$2.00</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>6/30/2007</td>
<td>Common Stock 6426</td>
<td>$2.00</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>6/30/2008</td>
<td>Common Stock 3204</td>
<td>$2.77</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>12/1/2008</td>
<td>Common Stock 4056</td>
<td>$2.77</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>
Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivate Security (Instr. 4)</th>
<th>2. Date Exercisable and Expiration Date (MM/DD/YYYY)</th>
<th>3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)</th>
<th>4. Conversion or Exercise Price of Derivative Security</th>
<th>5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)</th>
<th>6. Nature of Indirect Beneficial Ownership (Instr. 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(1) 12/1/2008</td>
<td>Common Stock 8112</td>
<td>$2.77</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(1) 6/30/2008</td>
<td>Common Stock 6405</td>
<td>$2.77</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(1) 6/30/2009</td>
<td>Common Stock 4323</td>
<td>$10.98</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(1) 6/30/2009</td>
<td>Common Stock 8754</td>
<td>$10.98</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(1) 12/1/2009</td>
<td>Common Stock 3570</td>
<td>$10.98</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(1) 12/1/2009</td>
<td>Common Stock 7140</td>
<td>$10.98</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(1) 5/1/2010</td>
<td>Common Stock 730000</td>
<td>$14.13</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(1) 2/15/2009</td>
<td>Common Stock 652310</td>
<td>$2.77</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(2) 2/15/2009</td>
<td>Common Stock 216864</td>
<td>$2.77</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(3) 5/1/2011</td>
<td>Common Stock 7500</td>
<td>$14.13</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(3) 5/1/2011</td>
<td>Common Stock 7500</td>
<td>$14.13</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(4) 5/1/2012</td>
<td>Common Stock 5000</td>
<td>$10.95</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(5) 5/1/2013</td>
<td>Common Stock 10000</td>
<td>$8.57</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Stock Option (Right to Buy)</td>
<td>(6) 12/1/2014</td>
<td>Common Stock 40000</td>
<td>$14.96</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:

(1) Immediately exercisable

(2) The remaining options vest and become exercisable over a period of six years in equal annual installments beginning on February 15, 2003

(3) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2002

(4) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2003

(5) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of May 1, 2004

(6) The option vests and becomes exercisable over a period of four years in equal annual installments beginning on the initial vesting date of
May 1, 2005

The exercise price is determined by the daily indexing of the fair market value of the shares on the grant date ($14.70) against the 10-Year U.S. Treasury Bond Rate on November 15, 2004, compounded annually. Therefore the exercise price is subject to change throughout the life of the option. On April, 30, 2005, the exercise price was $14.96.

---

**Exhibit 24**

**POWER OF ATTORNEY**

Know all by these presents, that the undersigned hereby constitutes and appoints each of Joe Mansueto, Martha Dustin Boudos, Peter Olson and D. Scott Schilling, signing singly, the undersigned’s true and lawful attorney-in-fact to:

1. Execute for and on behalf of the undersigned, in the undersigned’s capacity as an officer and/or director of Morningstar, Inc. (“Morningstar”), Forms 3, 4 and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder;

2. Do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Form 3, 4 or 5, complete and execute any amendment or amendments thereto and timely file such form with the United States Securities and Exchange Commission and any national quotation system, national securities exchange, stock exchange or similar authority; and

3. Take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of or legally required by the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact’s discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact’s substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is Morningstar assuming, any of the undersigned’s responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4 and 5 with respect to the undersigned’s holdings of and transactions in securities issued by Morningstar, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 15th day of March, 2005.

/s/ Don Phillips
Signature

Don Phillips
Print Name

---

End of Filing