

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

ALLEN WIESENFELD, On Behalf of)
Himself and All Others Similarly Situated,)
)
Plaintiff,)

) Case No.
)
)
)
)

v.)

INTELIQUENT, INC., MATTHEW)
CARTER, JR., JAMES P. HYNES, JOSEPH)
A. BEATTY, EDWARD M. GREENBERG,)
LAWRENCE M. INGENERI, TIMOTHY A.)
SAMPLES, RIAN J. WREN and LAUREN F.)
WRIGHT.)
)
Defendants.)
)

JURY TRIAL DEMANDED

CLASS ACTION COMPLAINT

Plaintiff Allen Weisenfeld (“Plaintiff”), by and through his undersigned counsel, for his complaint against defendants, alleges upon personal knowledge with respect to himself, and upon information and belief based upon, *inter alia*, the investigation of counsel as to all other allegations herein, as follows:

NATURE OF THE ACTION

1. This is a class action brought on behalf of the public stockholders of Inteliquent, Inc. (“Inteliquent” or the “Company”) against Inteliquent and its Board of Directors (the “Board” or the “Individual Defendants”) for their violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 14a-9 promulgated thereunder and to enjoin the vote on a proposed transaction, pursuant to which Inteliquent will be acquired by

GTCR LLC (“GTCR”) through its affiliates Onvoy, LLC (“Onvoy”) and Onvoy’s wholly-owned subsidiary Onvoy Igloo Merger Sub, Inc. (“Merger Sub”) (the “Proposed Transaction”).

2. On November 2, 2016, Inteliquent issued a press release announcing that it had entered into an Agreement and Plan of Merger (the “Merger Agreement”) to sell Inteliquent to GTCR. Under the terms of the Merger Agreement, GTCR will acquire all outstanding shares of Inteliquent for \$23.00 in cash per Inteliquent common share (the “Merger Consideration”). The Proposed Transaction is valued at approximately \$800 million.

3. The Proposed Transaction is the result of an unfair process and provides the Company’s stockholders with inadequate consideration. As further described below, the Board conducted a sale “process” that was focused on a transaction with GTCR from the very beginning and never informed itself of the Company’s market value before executing the Merger Agreement. While Inteliquent launched a “go-shop” process following execution of the Merger Agreement, the Proxy (defined below) fails to provide information detailing the Company’s communications with any of the parties Inteliquent or its advisor contacted during the “go-shop” period, and whether nondisclosure agreements (“NDAs”) were executed with any of the parties and the terms of the NDAs. Both the value to Inteliquent stockholders contemplated in the Proposed Transaction and the process by which defendants propose to consummate the Proposed Transaction are fundamentally unfair to Plaintiff and the other public stockholders of the Company.

4. Additionally, Inteliquent insiders stand to gain handsomely from the Proposed Transaction. In addition to gaining liquidity for their otherwise illiquid shares and options, certain Inteliquent named executive officers stand to receive substantial benefits in connection with the Proposed Transaction. For example, defendant Matthew Carter Jr. (“Carter”) alone

stands to receive over \$2.55 million in severance benefits if he is not retained after consummation of the Proposed Transaction. While Inteliquent's public stockholders will lose control of the Company for an unfair price, certain Company insiders will substantially benefit if the Proposed Transaction is consummated.

5. Finally, compounding the unfairness of the Proposed Transaction, on December 14, 2016, Inteliquent filed a Definitive Proxy Statement on Schedule 14A (the "Proxy") with the U.S. Securities and Exchange Commission ("SEC"). The Proxy, which recommends that Inteliquent stockholders vote in favor of the Proposed Transaction, omits or misrepresents material information concerning, among other things: (i) Inteliquent management's projections, utilized by the Company's financial advisor, Perella Weinberg Partners LP ("Perella") in its financial analyses; (ii) the valuation analyses prepared by Perella in connection with the rendering of its fairness opinion; and (iii) material information concerning the "go-shop" process. The failure to adequately disclose such material information constitutes a violation of Sections 14(a) and 20(a) of the Exchange Act as stockholders need such information in order to cast a fully-informed vote in connection with the Proposed Transaction.

6. As further discussed below, defendants' failure to disclose material information is critical in light of the inadequate Merger Consideration. The inadequacy of the Merger Consideration is evidenced by the fact that as recently as October 31, 2016, an analyst at Drexel Hamilton LLC set a \$24.00 per share price target for the Company, which is \$1.00 above the \$23.00 Merger Consideration.

7. In short, the Proposed Transaction is designed to unlawfully divest Inteliquent's public stockholders of the Company's valuable assets without fully disclosing all material information concerning the Proposed Transaction to Company stockholders. To remedy

defendants' Exchange Act violations, Plaintiff seeks to enjoin the stockholder vote on the Proposed Transaction unless and until such problems are remedied.

JURISDICTION AND VENUE

8. This Court has jurisdiction over the claims asserted herein for violations of Sections 14(a) and 20(a) of the Exchange Act and SEC Rule 14a-9 promulgated thereunder pursuant to Section 27 of the Exchange Act.

9. This Court has jurisdiction over the defendants because each defendant is either a corporation that conducts business in and maintains operations within this District, or is an individual with sufficient minimum contacts with this District so as to make the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

10. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because Plaintiff's claims arose in this District, where a substantial portion of the actionable conduct took place, where most of the documents are electronically stored, and where the evidence exists. Inteliquent is headquartered in this District. Moreover, each of the Individual Defendants, as Company officers or directors, either resides in this District or has extensive contacts within this District.

PARTIES

11. Plaintiff Allen Wiesenfeld is, and has been at all times relevant hereto, a continuous stockholder of Inteliquent.

12. Defendant Inteliquent, Inc. is a Delaware corporation with its principal executive offices located at 550 West Adams Street, Suite 900, Chicago, Illinois 60661. The Company provides wholesale voice and messaging interconnection services and is used by wireline and wireless carriers, CLECs, cable companies, VoIP Service Providers and NextGen

telecommunications companies. Inteliquent's common stock is traded on the NASDAQ under the ticker symbol "IQNT."

13. Defendant Matthew Carter, Jr. ("Carter") has been President, Chief Executive Officer ("CEO") and a director of the Company since June 2015.

14. Defendant James P. Hynes ("Hynes") has been Chairman of the Board since December 2006 and has been a director of the Company since co-founding Inteliquent in 2001. Defendant Hynes previously served as CEO from 2001 to February 2006 and Executive Chairman of the Board from February to December 2006.

15. Defendant Joseph A. Beatty ("Beatty") has been a director of the Company since 2013. Defendant Beatty is Chair of the Audit Committee, and is a member of the Nominating and Corporate Governance Committee.

16. Defendant Edward M. Greenberg ("Greenberg") has been a director of the Company since 2011. Defendant Greenberg is Chair of the Nominating and Corporate Governance Committee, and is a member of the Compensation Committee.

17. Defendant Lawrence M. Ingeneri ("Ingeneri") has been a director of the Company since 2006. Defendant Ingeneri is a member of the Audit Committee and the Nominating and Corporate Governance Committee.

18. Defendant Timothy A. Samples ("Samples") has been a director of the Company since 2011. Defendant Samples is Chair of the Compensation Committee and a member of the Audit Committee.

19. Defendant Rian J. Wren ("Wren") has been a director of the Company since 2006. Defendant Wren served as CEO from February 2006 until April 2011 and as President from February 2006 until November 2010.

20. Defendant Lauren F. Wright (“Wright”) has been a director of the Company since 2014. Defendant Wright is a member of the Audit Committee and the Compensation Committee.

21. Defendants Carter, Hynes, Beatty, Greenberg, Ingeneri, Samples, Wren and Wright are collectively referred to herein as the “Board” or the “Individual Defendants.”

OTHER RELEVANT ENTITIES

22. GTCR LLC is a private equity firm focused on leveraged buyouts, leveraged recapitalization, growth capital and rollup transactions. Since 1980, GTCR has invested more than \$10 billion in over 200 companies. Its headquarters are located at 300 N. LaSalle Street, Suite 5600, Chicago, Illinois 60654.

23. Onvoy, LLC is a Minnesota limited liability company and an affiliate of GTCR.

24. Onvoy Igloo Merger Sub, Inc. is a Delaware corporation and a wholly-owned subsidiary of Onvoy.

CLASS ACTION ALLEGATIONS

25. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons and entities that own Inteliquent common stock (the “Class”). Excluded from the Class are defendants and their affiliates, immediate families, legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

26. Plaintiff’s claims are properly maintainable as a class action under Rule 23 of the Federal Rules of Civil Procedure.

27. The Class is so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained

through discovery, Plaintiff believes that there are thousands of members in the Class. As of December 9, 2016, there were approximately 34,512,638 shares of Company common stock issued and outstanding. All members of the Class may be identified from records maintained by Inteliquent or its transfer agent and may be notified of the pendency of this action by mail, using forms of notice similar to that customarily used in securities class actions.

28. Questions of law and fact are common to the Class and predominate over questions affecting any individual Class member, including:

(a) Whether defendants have violated Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder;

(b) Whether the Individual Defendants have violated Section 20(a) of the Exchange Act; and

(c) Whether Plaintiff and the other members of the Class would suffer irreparable injury were the Proposed Transaction consummated.

29. Plaintiff will fairly and adequately protect the interests of the Class, and has no interests contrary to or in conflict with those of the Class that Plaintiff seeks to represent. Plaintiff has retained competent counsel experienced in litigation of this nature.

30. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy. Plaintiff knows of no difficulty to be encountered in the management of this action that would preclude its maintenance as a class action.

31. Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

SUBSTANTIVE ALLEGATIONS

Company Background and Strong Financial Outlook

32. Inteliquent provides wholesale voice and messaging interconnection services and is used by wireline and wireless carriers, CLECs, cable companies, VoIP Service Providers and NextGen telecommunications companies. Based in Chicago, the Company created the first independent tandem network - a “network of networks” uniquely interconnecting disparate carrier networks to facilitate the exchange of traffic. The independent tandem network greatly streamlined the way certain telephony companies route local transit traffic between one another, and formed the foundation for later interconnection service arrangements.

33. The Company’s recent financial results underscore its promising prospects. On April 28, 2016, Inteliquent issued a press release announcing its financial results for the first quarter of 2016. For the quarter, net income was \$9.1 million, compared to \$8.7 million year over year. Adjusted EBITDA was \$19.1 million, compared to \$18.4 million in the prior quarter. Commenting on the financial results, Defendant Carter stated:

Our first quarter results got us off to a great start to 2016 and were in line with our expectations. The quarterly sequential growth in minutes, revenue and adjusted EBITDA reflects successful execution across all pillars of our Growth Forward Plan. In addition, we focused on diversifying our revenue in the quarter with the launch of Inteliquent's Omni service, our comprehensive voice and messaging solution for the next generation provider space. With Omni, we can provide our customers with a one-stop shop solution for the delivery of all of their inbound and outbound voice calls, message-enabled telephone numbers and inbound and outbound SMS and MMS messaging, all powered by the market's most user-friendly Web portal and APIs for integration and automation. We are pleased by the customer activity on our portal and the number of telephone numbers ordered during the quarter.

34. On August 8, 2016, the Company issued a press release announcing its financial results for the second quarter of 2016. For the second quarter, Inteliquent reported revenue of \$90.8 million, a 71.6% increase over revenue of \$52.9 million year over year. The Company

achieved its fourth consecutive quarter of sequential revenue and traffic growth. Commenting on the favorable results, defendant Carter remarked:

We continued to deliver a strong and consistent performance during the second quarter as we achieved our fourth consecutive quarter of sequential revenue and traffic growth, reflecting the successful implementation of our Growth Forward business strategy. The acquisition of Shopety's Next-Generation Software and Switching Platform will expand the capabilities and addressable market of our Omni IQ product line by allowing more customers to use Inteliquent's services, and diversify our revenue stream. Overall, we are pleased with the positive momentum to transform our business and our positioning in the market to deliver value for our shareholders.

35. Most recently, on November 7, 2016, the Company issued a press release announcing its financial results for the third quarter of 2016. For the third quarter, Inteliquent reported revenue of \$99.4 million, a 56.0% increase compared to \$63.7 million of revenue in the third quarter of 2015. The Company also reported third quarter net income of \$9.4 million compared to \$8.3 million in the third quarter of 2015 and Adjusted EBITDA of \$19.1 million compared to \$16.9 million in the third quarter 2015. Commenting on the favorable results, defendant Carter remarked:

Our third quarter results were a direct reflection of the continued strategic progress and positive momentum we generated over the course of 2016. Along with the favorable comparisons to the same period from 2015, we experienced sequential quarterly growth in revenue, billed minutes, and net income.

The Flawed Sale Process

36. In February 2016, members of Inteliquent senior management and representatives of Perella met to discuss potential strategic alternatives, including the Company's potential acquisition of Onvoy. With the Board's approval, Inteliquent senior management and certain Board members analyzed a potential acquisition of Onvoy.

37. Following GTCR's April 29, 2016 announcement that it had acquired 100% of the outstanding equity interest in Onvoy, on May 25, 2015, Carter, then-Inteliquent Chief

Financial Officer Kurt Abkemeier and Perella participated in a telephone conference with representatives of GTCR to review Onvoy's business.

38. Following meetings between representatives of Inteliquent and GTCR, on June 8, 2016, the Company submitted an indication of interest to acquire Onvoy for approximately \$275 million to \$325 million. After GTCR's response that it was not willing to sell Onvoy at that valuation, GTCR indicated interest in a transaction in which GTCR and Onvoy would acquire Inteliquent.

39. Following a July 11 meeting between Carter and GTCR Managing Directors Lawrence C. Fey and Philip A. Canfield, on August 8, 2016 GTCR and Onvoy submitted an indication of interest to acquire the Company for \$21.50 to \$22.50 per share in cash. The indication of interest was conditioned on Inteliquent not launching a broader sale process.

40. On August 17, 2016, GTCR and Onvoy submitted a revised indication of interest to acquire Inteliquent for \$22.00 to \$23.00 per share, and noted their desire to commence due diligence immediately and negotiate documentation in an expedited manner.

41. On August 22, 2016, the Board met and discussed, among other things: (i) the revised indication of interest; (ii) an overview of the Company's standalone business plan and an early version of Company management's preliminary projections related to Inteliquent (the "Preliminary Projections") and the key assumptions, limitations and risks associated with each; and (iii) potential alternative buyers of the Company and pursuing a broader sales process.

42. On September 1, 2016, the Board met and discussed; among other things: (i) an overview of the Company's standalone business plan and a further revised early version of the Preliminary Projections (reflecting certain refinements to the projections previously presented to the Board on August 22, 2016) and the key assumptions, limitations, sensitivities and risks

associated with each, including risks related to “peering” and the Company’s “Next Gen” business plan; (ii) alternatives to a sale of the Company; and (iii) potential alternative buyers of the Company.

43. Also on September 1, 2016 the Board formally engaged Perella to act as its financial advisor.

44. Beginning September 16, 2016, GTCR and Onvoy engaged in due diligence of the Company, management presentations were held and terms of the merger agreement and other documentation were negotiated.

45. On September 28, 2016, the Board met and discussed, in consultation with Company senior management and its financial advisors, the Company’s standalone business plan, a newly revised set of Preliminary Projections (reflecting certain refinements to the projections previously presented to the Board on September 1, 2016) and the various assumptions, limitations, sensitivities and risks associated with each, including risks related to “peering” and the Company’s “Next Gen” business.

46. On October 24, 2016, GTCR and Onvoy submitted a revised written proposal to acquire the Company for \$22.50 per share, the mid-point of the range specified in Onvoy’s August 17, 2016 indication of interest.

47. The next day, the Board met and determined that the \$22.50 per share proposal was too low. Perella subsequently informed GTCR and Onvoy of the offer’s inadequacy.

48. On October 28, 2016, GTCR and Onvoy submitted a revised proposal to acquire the Company for \$22.75 per share. The Board met the next day and determined the price was too low to recommend adopting the transaction, but still determined not to reach out to other potential bidders.

49. On October 30, 2016, GTCR and Onvoy submitted a revised proposal to acquire the Company for \$23.00 per share.

50. On October 31, 2016, the Board met and considered the revised proposal from GTCR and Onvoy of \$23.00 per share. Company senior management presented and the Board discussed, in consultation with Company senior management and Perella, an entirely new set of revised projections called the Company Forecasts relied upon by Perella in its financial analyses underlying its fairness opinion. Based on this new set of Company Forecasts Perella provided its oral fairness opinion to the Board.

51. On November 2, 2016, the Board unanimously approved the Merger Agreement and other transaction documents. The Merger Agreement was subsequently executed, and the Proposed Transaction recommended to Inteliquent's stockholders for adoption.

52. During the "go shop" period, Perella contacted or responded to inbound interest from 43 market participants about pursuing a strategic transaction with the Company, including 13 strategic buyers and 30 financial buyers. The Proxy does not detail the Company's communications with any of these 43 market participants, including whether NDAs were executed with any of the participants and the terms of the NDAs.

The Proposed Transaction is Inadequate

53. On November 2, 2016, following the Board's approval, Inteliquent entered into the Merger Agreement with GTCR and its subsidiaries for inadequate consideration. Later that day, Inteliquent issued a press release stating, in relevant part:

CHICAGO, Nov. 02, 2016 -- Inteliquent, Inc. (NASDAQ:IQNT), a premier interconnection partner for communications service providers of all types, announced today that it has entered into a definitive agreement to be acquired by an affiliate of GTCR LLC, a leading private equity firm, and merged with a subsidiary of Onvoy, LLC a fast-growing leader in Communications Enablement services. Under the terms of the agreement, Inteliquent stockholders of record will

receive \$23.00 in cash per share of common stock, which represents a 37% premium to Inteliquent's closing stock price on November 1, 2016. The value of the transaction is approximately \$800 million.

* * *

The Inteliquent Board of Directors unanimously approved the transaction and agreed to recommend that Inteliquent's stockholders vote to adopt the definitive agreement. The transaction is subject to certain conditions, including approval from Inteliquent stockholders, the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as well as FCC and state regulatory approvals, approvals and other customary closing conditions. There is no financing condition associated with the proposed acquisition. Inteliquent expects to hold a special meeting of its stockholders to consider and act upon the transaction as promptly as practicable. The transaction is expected to close in the first half of 2017.

Under the terms of the agreement, for a period of 30 calendar days, Inteliquent may solicit alternative proposals from third parties. Inteliquent does not anticipate that it will disclose any developments with regard to this process unless and until the Inteliquent Board of Directors makes a decision with respect to a potential superior proposal. There are no guarantees that this process will result in a superior proposal.

54. The Merger Consideration fails to recognize the value of Inteliquent to GTCR. In the press release, Onvoy CEO Fritz Hendricks detailed the benefits GTCR will enjoy as a result of the Proposed Transaction:

Inteliquent's commitment to the core switching infrastructure has earned the trust of the nation's top carriers. We believe this will lead to additional opportunities for other carriers to partner with Inteliquent to outsource network infrastructure and achieve cost savings without sacrificing quality and reliability. We look forward to working with the Inteliquent team to continue the network expansion and to empower innovation for our shared customer base.

55. Given the potential for increased growth and strong earnings, the Proposed Transaction fails to adequately compensate Inteliquent's stockholders for the intrinsic value of the Company, as well as the significant benefits GTCR will receive from the Proposed Transaction. GTCR is seeking to acquire the Company at a time when the long-term prospects of Inteliquent are increasing, and while its stock price is undervalued. For example, as recently

as October 31, 2016, analyst Barry Michael Sine at Drexel Hamilton LLC set a \$24.00 target price for Inteliquent, which is \$1.00 above the \$23.00 Merger Consideration.

Insiders' Interests in the Proposed Transaction

56. Inteliquent insiders are the primary beneficiaries of the Proposed Transaction, not the Company's public stockholders. The Board and the Company's executive officers are conflicted because they have secured unique benefits for themselves from the Proposed Transaction not available to Plaintiff and the public stockholders of Inteliquent.

57. While Inteliquent's public stockholders are receiving inadequate consideration for their valuable Inteliquent holdings, the Company's directors and officers will achieve a substantial payday. Pursuant to the Merger Agreement, upon consummation of the Proposed Transaction, Inteliquent's directors and officers will receive cash payments from the immediate vesting of all Inteliquent stock options, restricted stock awards and performance stock units, whether or not vested - an opportunity that would not otherwise be available. The following table sets forth the approximate amount of the payments that each of the Company's directors and executive officers are entitled to receive in connection with the Proposed Transaction pursuant to their shares and equity awards held as of November 29, 2016:

Name	Shares Held (#)(1)	Value of Shares Held (\$)	Shares Underlying Vested Stock Options (#)	Value of Shares Underlying Vested Stock Options (\$)(2)	Shares Underlying Stock Options Accelerating in Connection with the Transaction (#)(3)	Value of Shares Underlying Accelerating Stock Options (\$)(3)	Shares Underlying Performance Stock Units Accelerating in Connection with the Transaction (#)(4)	Value of Accelerating Performance Share Units (\$)(5)	Aggregate Value for Equity (\$)
Executive Officers									
Kurt J. Abkemeier(6)	25,962	597,126	—	—	—	—	—	—	597,126
John T. Bullock	43,590	1,002,570	71,869	658,069	12,059	84,416	9,885	227,349	1,972,404
Eric R. Carlson	6,159	141,657	17,841	43,817	947	8,656	—	—	194,130
Matthew Carter, Jr.(7)	47,330	1,088,579	6,840	42,545	55,371	283,767	31,883	733,309	2,148,200
G. Edward Evans(8)	—	—	—	—	—	—	—	—	—
John R. Harrington	15,286	351,567	23,323	372,675	9,832	70,118	8,231	189,325	983,685
Richard L. Monto	55,465	1,275,684	197,806	1,533,476	10,858	76,499	8,818	202,820	3,088,479
Michelle R. Owczarzak	32,160	739,680	1,653	10,282	4,959	30,845	2,833	65,150	845,957
John M. Schoder	48,278	1,110,394	6,895	48,840	11,456	77,211	11,621	267,292	1,503,737
Brett A. Scorza	44,433	1,021,959	78,527	720,326	12,059	84,416	9,885	227,349	2,054,050
Non-Employee Directors									
Joseph A. Beatty	35,862	824,826	7,879	37,504	10,134	70,735	—	—	933,065
Edward M. Greenberg	12,198	280,554	—	—	—	—	—	—	280,554
James P. Hynes	119,844	2,756,412	—	—	—	—	—	—	2,756,412
Lawrence M. Ingeneri	97,873	2,251,079	—	—	—	—	—	—	2,251,079
Timothy A. Samples	19,488	448,224	—	—	—	—	—	—	448,224
Rian J. Wren	79,930	1,838,390	209,451	556,045	—	—	—	—	2,394,435
Lauren F. Wright	18,683	429,709	—	—	—	—	—	—	429,709
All of our current directors and executive officers as a group (17 persons)	702,540	16,158,410	622,084	4,201,901	127,675	786,663	83,156	1,912,594	22,462,442

58. Further, if they are terminated in connection with the Proposed Transaction, Inteliquent's named executive officers are set to receive substantial cash payments in the form of golden parachute compensation. Defendant Carter *alone* stands to receive over \$2.55 million in severance benefits if he is not retained after consummation of the Proposed Transaction, as detailed in the chart below:

Name	Cash \$(1)	Equity \$(2)	Perquisites/ Benefits \$(3)	Total (\$)
Matthew Carter Jr.	1,040,000	1,396,829	50,000	2,486,829
Kurt J. Abkemeier(4)	—	—	—	—
John T. Bullock	270,000	924,830	—	1,194,830
Eric R. Carlson	85,731	77,035	8,000	170,766
G. Edward Evans(5)	—	—	—	—
John M. Schoder	572,000	950,530	—	1,522,530
Brett A. Scorza	270,000	924,830	—	1,194,830

59. Moreover, Inteliquent's directors and officers will receive substantial cash consideration for their significant holdings of Inteliquent stock. By pursuing and approving the Proposed Transaction, the Company's directors and officers will gain liquidity for their otherwise illiquid Company holdings. Defendant Wren alone holds over 289,381 Inteliquent

shares worth over \$6.65 million if cashed out in connection with the Proposed Transaction. The holdings of the Company's officers and directors were disclosed in the Proxy, as seen in the following chart:

Directors and Executive Officers:	
Kurt J. Abkemeier (4)	25,962
Joseph A. Beatty (5)	41,000
John T. Bullock (6)	95,986
Eric R. Carlson (7)	23,053
Matthew Carter, Jr. (8)	41,453
G. Edward Evans (9)	—
Edward M. Greenberg (10)	12,198
James P. Hynes (11)	119,844
Lawrence M. Ingeneri (12)	97,873
Timothy A. Samples (13)	19,488
John M. Schoder (14)	43,998
Brett A. Scorza (15)	103,487
Rian J. Wren (16)	289,381
Lauren F. Wright (17)	18,683
All directors and executive officers as a group (17 persons)	1,206,850

60. Therefore, while Inteliquent's public stockholders will lose control of the Company for an unfair price, certain Company insiders will substantially benefit if the Proposed Transaction is consummated.

The Proxy Contains Material Misstatements or Omissions

61. Defendants filed a materially incomplete and misleading Proxy with the SEC and disseminated it to Inteliquent's stockholders. The Proxy misrepresents or omits material information that is necessary for the Company's stockholders to make an informed decision whether to vote in favor of the Proposed Transaction.

62. Specifically, as set forth below, the Proxy fails to provide Company stockholders with material information or provides them with materially misleading information concerning: (i) Inteliquent management's projections, utilized by Perella in its financial analyses; (ii) the valuation analyses prepared by Perella in connection with the rendering of its fairness opinion;

and (iii) material information concerning the “go-shop”. Accordingly, Inteliquent stockholders are being asked to vote for the Proposed Transaction without all material information at their disposal.

Material Omissions Concerning Inteliquent’s Financial Projections

63. The Proxy is materially deficient because it fails to disclose material information relating to the Company’s intrinsic value and prospects going forward.

64. Specifically, at the August 22, 2016 Board meeting, the Board discussed an overview of the Company’s standalone business plan, an early version of the Preliminary Projections and the key assumptions, limitations and risks associated with each. The Proxy fails, however, to disclose any of the key assumptions, limitations and risks associated with the Company’s standalone business plan and the early version of the Preliminary Projections. The Proxy also fails to disclose if the early version of the Preliminary Projections were created after GTCR’s initial indication of interest on August 8, 2016.

65. At the September 1, 2016 Board meeting, the Board again discussed the Company’s standalone business plan and a further revised version of the Preliminary Projections (reflecting certain refinements to the projections previously presented to the Board on August 22, 2016) and the key assumptions, limitations, sensitivities and risks associated with each, including risks related to “peering” and the Company’s “Next Gen” business plan. The Proxy fails again, however, to disclose the key assumptions, limitations, sensitivities and risks associated with each and fails further to disclose how the Preliminary Projections previously presented to the Board on August 22, 2016 were refined, and whether these refinements resulted in downward adjustments to the Company’s projected results.

66. Thereafter, the Board met on September 28, 2016 and discussed, in consultation with Company senior management and its financial advisors, the Company’s standalone

business plan, the Preliminary Projections (reflecting certain refinements to the projections previously presented to the Board on September 1, 2016) and the various assumptions, limitations, sensitivities and risks associated with each, including risks related to “peering” and the Company’s “Next Gen” business. Again, the Proxy fails to disclose the assumptions, limitations, sensitivities and risks associated with each and fails further to disclose how the Preliminary Projections previously presented to the Board on September 1, 2016 were refined, and whether these refinements resulted in downward adjustments to the Company’s projected results.

67. Finally, at the October 31, 2016 Board meeting, Company senior management presented and the Board discussed, in consultation with Company senior management and Perella, the Company Forecasts. As set forth in the Proxy, the Preliminary Projections were superseded by the Company Forecasts, which at the time they were prepared reflected senior management’s best currently available estimates and good faith judgments as to the future financial performance of Inteliquent. The Company Forecasts are identical to the Preliminary Projections with respect to the projected Revenue, EBITDA and Capital Expenditures for the 6 months ending December 31, 2016 and 2017. For the years 2018-2021, however, the Company Forecasts reflect higher Revenue than the Preliminary Projections, yet EBITDA is substantially lower in the Company Forecasts over the same span as compared to the Preliminary Projections, as set forth below:

Company Forecasts

	6 Months Ending December 31, 2016	Fiscal Years Ending December 31,				
		2017E	2018E	2019E	2020E	2021E
Revenue						
Inteliquent Core	\$192	\$387	\$374	\$371	\$376	\$381
Inteliquent Next Gen	\$5	\$31	\$47	\$65	\$88	\$104
Inteliquent Core + Inteliquent Next Gen	\$197	\$419	\$421	\$436	\$464	\$485
EBITDA (I)						
Inteliquent Core	\$40	\$75	\$67	\$60	\$59	\$58
Inteliquent Next Gen	(\$2)	(\$1)	\$3	\$9	\$17	\$24
Inteliquent Core + Inteliquent Next Gen	\$38	\$73	\$69	\$69	\$76	\$81
Capital Expenditure						
Inteliquent Core	\$14	\$21	\$20	\$18	\$17	\$15
Inteliquent Next Gen	\$2	\$5	\$5	\$7	\$8	\$9
Inteliquent Core + Inteliquent Next Gen	\$16	\$26	\$25	\$24	\$25	\$24

Preliminary Projections

	6 Months Ending December 31, 2016	Fiscal Year Ending December 31,				
		2017E	2018E	2019E	2020E	2021E
Revenue						
Inteliquent Core	\$192	\$387	\$386	\$381	\$376	\$368
Inteliquent Next Gen	\$5	\$31	\$47	\$65	\$88	\$104
Inteliquent Core + Inteliquent Next Gen	\$197	\$419	\$433	\$446	\$465	\$472
EBITDA (I)						
Inteliquent Core	\$40	\$75	\$76	\$77	\$78	\$78
Inteliquent Next Gen	(\$2)	(\$1)	\$3	\$9	\$17	\$24
Inteliquent Core + Inteliquent Next Gen	\$38	\$73	\$79	\$86	\$96	\$102
Capital Expenditure						
Inteliquent Core	\$14	\$21	\$21	\$19	\$17	\$15
Inteliquent Next Gen	\$2	\$5	\$5	\$7	\$8	\$9
Inteliquent Core + Inteliquent Next Gen	\$16	\$26	\$27	\$26	\$25	\$24

The Proxy completely omits the assumptions underlying the Company Forecasts that resulted in substantially decreased EBITDA figures for the years 2018-2021. These assumptions and inputs are critical as the EBITDA figures in the Company Forecasts were the starting point to get to the unlevered free cash flow figures utilized by Perella in its Sum-of-the-Parts Discounted Cash Flow Analysis. The Proxy fails further to disclose when the Company Forecasts were created and if Perella had any role in providing the assumptions and inputs to the Company Forecasts.

68. With respect to each of the Preliminary Projections and Company Forecasts, the Proxy currently discloses the following financial metrics: Revenue; EBITDA; and Capital Expenditures. The Proxy fails, however, to disclose for each of the Preliminary Projections and Company Forecasts, for the fiscal years ended December 31, 2016 through December 31, 2021, the following items: (a) unlevered free cash flow, (b) net income, (c) interest expense, (d) net income tax expense, (e) depreciation and amortization, (f) taxes (or tax rate), (g) changes in net

working capital, (h) stock-based compensation expense, and (i) any other adjustments to unlevered free cash flows.

69. Most notably, Perella in performing its Sum-of-the Parts-Discounted Cash Flow Analysis relied on Company senior management's estimated future cash flows of Inteliquent's core business and Next Gen business, which are wholly omitted from the Proxy.

70. The omission of this information renders the following statements in the Proxy false and/or materially misleading in contravention of the Exchange Act:

(a) From page 32 of the Proxy:

On August 22, 2016, the Board met to discuss the revised indication of interest received from GTCR and Onvoy. The Board discussed, in consultation with Company senior management and Perella Weinberg Partners, the key features of the proposed transaction. These key features included that GTCR was expected to provide equity financing, that GTCR and Onvoy expected the third-party debt financing to be provided on a fully committed basis and the proposed timeline for due diligence and negotiations of the documentation. The Board discussed the terms of the proposed transaction and the potential benefits and risks of the proposed transaction to the Company and its stockholders. The discussion included an overview of the Company's standalone business plan, an early version of the Preliminary Projections (as defined in "—Certain Prospective Financial Information" beginning on page 48 of this proxy statement) and the key assumptions, limitations and risks associated with each. The Board discussed, and asked questions of Perella Weinberg Partners and Company senior management about, potential alternative buyers of the Company and the risks associated with pursuing a broader sale process, including the risk of GTCR and Onvoy withdrawing their proposal in response thereto, as had previously occurred in 2012. The Board discussed strategies related to maximizing value for the Company's stockholders. The Board also instructed Company senior management to provide additional information at the next Board meeting with respect to the Company's "Next Gen" business. The Board noted that it would determine whether to provide the due diligence materials requested by GTCR and Onvoy after reviewing their due diligence request list and discussing the Company's "Next Gen" business plan with Company senior management at the next Board meeting. The Board then instructed Perella Weinberg Partners to contact GTCR and Onvoy to discuss the revised indication of interest received by the Company on August 17, 2016.

(b) From page 33 of the Proxy:

At the September 1, 2016 Board meeting, the Board also discussed formally engaging Perella Weinberg Partners as financial advisor to assist the Board in evaluating the proposed transaction, as well as alternatives thereto. After considering the qualifications and experience of various prospective financial advisors and the potential fee proposal from Perella Weinberg Partners, the Board authorized and directed the engagement of Perella Weinberg Partners to serve as the Company's financial advisor in connection with evaluating the proposed transaction, as well as alternatives thereto. The Board determined to engage Perella Weinberg Partners due to, among other factors, Perella Weinberg Partners' knowledge of the Company and of recent activity in the telecommunications industry, as well as the depth of the firm's experience with public company mergers and acquisitions. The Board's engagement of Perella Weinberg Partners as financial advisor was subject to the negotiation of an acceptable engagement letter with Perella Weinberg Partners and Perella Weinberg Partners' completion of a banker questionnaire satisfactory to the Board. The Board authorized Company senior management to engage Kirkland as its legal counsel for the proposed transaction, which included engaging Kirkland as legal counsel in connection with negotiating an acceptable engagement letter with Perella Weinberg Partners, negotiating a revised confidentiality agreement with GTCR and preparing and negotiating the terms of a merger agreement and other documentation.

(c) From page 34 of the Proxy:

On September 28, 2016, the Board met with Company senior management and its legal and financial advisors to receive an update on discussions with GTCR and Onvoy, including the process to date, major business issues that Perella Weinberg Partners anticipated would arise if the parties continued to negotiate the proposed transaction and GTCR's and Onvoy's financing of the proposed transaction. The Board also discussed, in consultation with Company senior management and its financial advisors, the Company's standalone business plan, the Preliminary Projections (reflecting certain refinements to the projections previously presented to the Board on September 1, 2016) and the various assumptions, limitations, sensitivities and risks associated with each, including risks related to "peering" and the Company's "Next Gen" business. A summary of the forecasts and assumptions and risks associated with these Preliminary Projections is described in "—Certain Prospective Financial Information" beginning on page 48 of this proxy statement. The Board also discussed, and asked questions of Perella Weinberg Partners and Company senior management about, potential alternative buyers of the Company. The Board discussed strategies related to maximizing value for the Company's stockholders. The Board authorized Company senior management and Perella Weinberg Partners to continue participating in due diligence sessions and instructed Kirkland to continue negotiating with Latham the terms of the merger agreement and other documentation.

(d) From page 36 of the Proxy:

On October 31, 2016, . . . Company senior management presented and the Board discussed, in consultation with Company senior management and Perella Weinberg Partners, the Company Forecasts (as defined, summarized and discussed in “—Certain Prospective Financial Information” beginning on page 48 of this proxy statement). At the Board meeting, Perella Weinberg Partners rendered its preliminary oral opinion to the Board that as of that date, based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Perella Weinberg Partners as set forth in its written opinion, the \$23.00 in cash per share of Inteliquent common stock to be received by the holders of shares of Inteliquent common stock (other than excluded shares, dissenting shares and Company restricted stock awards) pursuant to the merger agreement was fair from a financial point of view to such holders.

(e) From pages 48-51 of the Proxy:

Company senior management prepares projections of the Company’s expected financial performance as part of its ongoing management of the business. Other than guidance in connection with its regularly-scheduled earnings releases, these projections are not publicly disclosed as a matter of course due to the inherent unpredictability of the underlying assumptions and estimates. However, the Company is including certain unaudited prospective financial information in this proxy statement to provide Inteliquent stockholders access to a summary of certain nonpublic unaudited prospective financial information that was made available to the Board in connection with its consideration of the merger and the other transactions contemplated by the merger agreement and, in the case of the Company Forecasts (as defined below), was also provided by Company senior management to Perella Weinberg Partners in connection with the rendering of Perella Weinberg Partners’ opinion to the Board and performing its related financial analyses.

In connection with the Board’s review of Inteliquent’s strategic alternatives, including the consideration and evaluation of a potential transaction with Parent, Company senior management prepared and provided to the Board and Perella Weinberg Partners certain unaudited financial projections related to Inteliquent through fiscal year 2021 (the “ Company Forecasts ”). The Board reviewed the Company Forecasts and discussed them with Company senior management and Perella Weinberg Partners. At the direction of the Board, Perella Weinberg Partners used and relied upon the Company Forecasts in connection with its financial analyses for purposes of its opinion, as summarized in “—Opinion of the Company’s Financial Advisor” beginning on page 41 of this proxy statement. The Company Forecasts were not prepared with a view toward public disclosure and reflect subjective judgment in many respects and, therefore, are susceptible to

multiple interpretations and frequent revisions based on actual results and business developments.

Previously, in connection with the Board's initial evaluation of a potential transaction with Parent and prior to the preparation of the Company Forecasts, a separate initial set of unaudited preliminary financial projections related to Inteliquent were made available to the Board and subsequently revised to reflect senior management's ongoing review of the business. Prior to the Board's commencement of substantive deliberations for a potential transaction with Parent and at the direction of the Board, such preliminary projections were further revised to reflect senior management's then latest view of the business (such revised preliminary projections, the "Preliminary Projections"). With respect to Inteliquent's core business, the Preliminary Projections consisted of (i) preliminary projections for fiscal years 2016 and 2017 prepared by Company senior management and (ii) projections for fiscal years 2018 through 2021 developed by Perella Weinberg Partners, in consultation with Company senior management and at the direction of the Board, by extrapolating from the fiscal year 2016 and 2017 projections based on certain growth and margin assumptions approved by Company senior management. With respect to Inteliquent's Next Gen business, the Preliminary Projections consisted of preliminary projections for fiscal years 2016 through 2021 prepared by Company senior management. The Preliminary Projections were superseded by the subsequent Company Forecasts, which at the time they were prepared reflected senior management's best currently available estimates and good faith judgments as to the future financial performance of Inteliquent. Accordingly, the Board did not use or rely upon the Preliminary Projections for its final evaluation of the merger. At the Board's direction, Perella Weinberg Partners did not use or rely upon the Preliminary Projections to perform its financial analyses for purposes of its opinion.

The Company Forecasts and the Preliminary Projections were made available to the Board and Perella Weinberg Partners, and the Company Forecasts were used and relied upon by Perella Weinberg Partners in connection with its financial analyses for its opinion. The Preliminary Projections and the Company Forecasts, in each case for fiscal years 2016 and 2017 only, were also provided to Parent in connection with its consideration of the potential transaction. For these reasons, Inteliquent has elected to summarize the Company Forecasts and the Preliminary Projections in this proxy statement.

The Company's internal financial forecasts, like the Company Forecasts and the Preliminary Projections, and the assumptions upon which the Company Forecasts and the Preliminary Projections were based, are subjective in many respects and thus subject to interpretation. Although presented with numerical specificity, the Company Forecasts and the Preliminary Projections are forward-looking statements and are based upon a variety of estimates and numerous assumptions made by Company senior management with respect to, among other matters, industry performance, general business, economic, market and financial

conditions and other matters, including the factors described under “Special Note Regarding Forward-Looking Statements” beginning on page 19 of this proxy statement and other risk factors described in the Company’s filings with the SEC, many of which are difficult to predict, are inherently uncertain, are beyond the Company’s control, are subject to significant economic and competitive uncertainties and may not reflect current prospects for the Company’s business, changes in general business, economic, market and financial conditions and other matters, transactions or events that have occurred or that may occur and that were not anticipated when the Company Forecasts and the Preliminary Projections were prepared.

In addition, since the Company Forecasts and the Preliminary Projections cover multiple years, such information by its nature becomes less reliable with each successive year. As a result, there can be no assurance that the estimates and assumptions made in preparing the Company Forecasts and the Preliminary Projections will prove accurate, that the projected results will be realized or that actual results will not be significantly higher or lower than projected. In addition, the Company Forecasts and the Preliminary Projections do not take into account the merger or any of the other transactions contemplated by the merger agreement that might also cause actual results to differ materially. **The Company’s stockholders are urged to review the Company’s most recent filings with the SEC for a description of the Company’s reported results of operations and financial condition during the fiscal year ended December 31, 2015 and for the first three quarters of 2016.**

The Company Forecasts and the Preliminary Projections are not intended to comply with, and include financial metrics that were not prepared in accordance with, United States Generally Accepted Accounting Principles (“GAAP”), the published guidelines of the SEC regarding financial projections and the use of non-GAAP measures or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial projections and forecasts. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as used by the Company may not be comparable to similarly titled measures used by other companies. Neither the Company’s independent registered public accounting firm nor any other independent registered public accounting firm has examined, compiled or performed any procedures with respect to the Company Forecasts and the Preliminary Projections. Accordingly, neither the Company’s independent registered public accounting firm nor any other public accounting firm expresses an opinion or any other form of assurance with respect to the Company Forecasts and the Preliminary Projections. Reports by the Company’s independent registered public accounting firm that have been incorporated by reference into this proxy statement relate solely to the Company’s historical financial information. They do not extend to the prospective financial information and should not be read to do so.

The Company does not as a matter of course make public projections as to future sales, earnings, or other results. However, the management of the Company has prepared the prospective financial information set forth in this proxy statement for the reasons described above. The prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Company's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Company. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and Inteliquent's stockholders and readers of this proxy statement are cautioned not to place undue reliance on the prospective financial information.

Neither the Company's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The presentation of "EBITDA" in the Preliminary Projections and the Company Forecasts presented to the Board, and utilized by Perella Weinberg Partners in the case of the Company Forecasts for purposes of its opinion is defined as net income before (a) interest expense, (b) net income tax expense and (c) depreciation and amortization. This presentation of "EBITDA" may differ from presentations of "EBITDA" by other companies or in other contexts. In addition, the Company's presentation of "Adjusted EBITDA" may also differ. For example, the Company's presentation of "Adjusted EBITDA" in its regularly-scheduled earnings release for the nine-months ended September 30, 2016 is defined as "EBITDA" as further adjusted to eliminate non-cash share-based compensation and legal fees associated with the Company's acquisition of Shopety, Inc.

In addition to the Company presenting Parent with "EBITDA" from the Preliminary Projections and the Company Forecasts for the fiscal years 2016 and 2017, the Company also provided to Parent "Adjusted EBITDA," which included an add-back for stock-based compensation expenses and legal fees associated with the Company's acquisition of Shopety, Inc.

No one has made or makes any representation regarding the information included in the Company Forecasts and the Preliminary Projections. **Inteliquent stockholders and other readers of this proxy statement are cautioned not to**

rely unduly, if at all, on the Company Forecasts and the Preliminary Projections. Some or all of the assumptions that have been made regarding, among other things, the timing of certain occurrences or effects, may have changed since the date the Company Forecasts and the Preliminary Projections were prepared. The Company has not updated or otherwise revised, and does not intend to update or otherwise revise, the Company Forecasts and the Preliminary Projections to reflect circumstances existing after the date when prepared or to reflect the occurrence or non-occurrence of events after the date when prepared, even if any or all of the assumptions on which the Company Forecasts and the Preliminary Projections were based are shown to be inaccurate. The Company has made no representation to Parent or Merger Sub in the merger agreement or otherwise concerning the Company Forecasts and the Preliminary Projections. Subject to the foregoing qualifications, set forth below are summaries of the Company Forecasts and the Preliminary Projections, respectively.

Company Forecasts

	6 Months Ending December 31, 2016	Fiscal Years Ending December 31,				
		2017E	2018E	2019E	2020E	2021E
Revenue						
Inteliquent Core	\$192	\$387	\$374	\$371	\$376	\$381
Inteliquent Next Gen	\$5	\$31	\$47	\$65	\$88	\$104
Inteliquent Core + Inteliquent Next Gen	\$197	\$419	\$421	\$436	\$464	\$485
EBITDA (1)						
Inteliquent Core	\$40	\$75	\$67	\$60	\$59	\$58
Inteliquent Next Gen	(\$2)	(\$1)	\$3	\$9	\$17	\$24
Inteliquent Core + Inteliquent Next Gen	\$38	\$73	\$69	\$69	\$76	\$81
Capital Expenditure						
Inteliquent Core	\$14	\$21	\$20	\$18	\$17	\$15
Inteliquent Next Gen	\$2	\$5	\$5	\$7	\$8	\$9
Inteliquent Core + Inteliquent Next Gen	\$16	\$26	\$25	\$24	\$25	\$24

	Estimated Fiscal Year Ending December 31, 2016	
EBITDA (1)		
Inteliquent Core + Inteliquent Next Gen	\$	74

Note: Dollars in millions; rounded to the nearest million.

(1) EBITDA is defined as net income before (a) interest expense, (b) net income tax expense and (c) depreciation and amortization.

Preliminary Projections

	6 Months Ending December 31, 2016	Fiscal Year Ending December 31,				
		2017E	2018E	2019E	2020E	2021E
Revenue						
Inteliquent Core	\$192	\$387	\$386	\$381	\$376	\$368
Inteliquent Next Gen	\$5	\$31	\$47	\$65	\$88	\$104
Inteliquent Core + Inteliquent Next Gen	\$197	\$419	\$433	\$446	\$465	\$472
EBITDA (1)						
Inteliquent Core	\$40	\$75	\$76	\$77	\$78	\$78
Inteliquent Next Gen	(\$2)	(\$1)	\$3	\$9	\$17	\$24
Inteliquent Core + Inteliquent Next Gen	\$38	\$73	\$79	\$86	\$96	\$102
Capital Expenditure						
Inteliquent Core	\$14	\$21	\$21	\$19	\$17	\$15
Inteliquent Next Gen	\$2	\$5	\$5	\$7	\$8	\$9
Inteliquent Core + Inteliquent Next Gen	\$16	\$26	\$27	\$26	\$25	\$24

Note: Dollars in millions; rounded to the nearest million.

(1) EBITDA is defined as net income before (a) interest expense, (b) net income tax expense and (c) depreciation and amortization.

Material Omissions Concerning Perella's Financial Analyses

71. The Proxy describes Perella's fairness opinion and the various valuation analyses it performed in support of its opinion. However, the description of Perella's fairness opinion and analyses fails to include key inputs and assumptions underlying these analyses. Without this information, as described below, Inteliquent's public stockholders are unable to fully understand these analyses and, thus, are unable to determine what weight, if any, to place on Perella's fairness opinion in determining whether to vote in favor of the Proposed Transaction. This omitted information, if disclosed, would significantly alter the total mix of information available to Inteliquent's stockholders.

72. The Proxy fails to disclose key inputs to Perella's financial analysis. For example, Perella performed a *Sum-of-the-Parts Discounted Cash Flow Analysis*, but the Proxy fails to disclose: (i) the projected unlevered free cash flows used in the analysis; and (ii) the net cash of the Company as of June 30, 2016.

73. The omission of this information renders the following statements in the Proxy false and/or materially misleading in contravention of the Exchange Act:

(a) From pages 45-46 of the Proxy:

Sum-of-the-Parts Discounted Cash Flow Analysis. Perella Weinberg Partners performed a discounted cash flow analysis of the Company on a sum-of-the-parts basis, separately conducting a discounted cash flow analysis of Inteliquent's core business and Inteliquent's Next Gen business. Discounted cash flow analysis is a valuation methodology used to derive a valuation of a company by calculating the present value of its estimated future cash flows. "Future cash flows" refers to projected unlevered free cash flows (calculated, beginning with EBITDA, by adding other income, subtracting taxes and capital expenditures and adjusting for changes in working capital, other investments, deferred taxes and other items) of a company. "Present value" refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts to a specific point in time by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, capital structure, income taxes, expected returns and other appropriate factors.

For each of Inteliquent's core business and Inteliquent's Next Gen business, Perella Weinberg Partners calculated the implied enterprise value as the sum of (i) the net present value of Company senior management's estimated future cash flows of such business during the six months ending December 31, 2016 and during the complete calendar years 2017 through 2021, as included in the Company Forecasts, and (ii) the net present value of the terminal value of such business at the end of calendar year 2021.

For Inteliquent's core business, Perella Weinberg Partners calculated the terminal value by applying a perpetual growth rate range of (0.50%) – 0.50% to Company senior management's estimated future cash flows of Inteliquent's core business for calendar year 2021. Such perpetual growth rates were selected based on Perella Weinberg Partners' understanding of the business of Inteliquent's core business based on discussions with Company senior management. Perella Weinberg Partners then calculated the net present values of the future cash flows and terminal value of Inteliquent's core business by applying a discount rate range of 7.75% – 8.75% (which was selected based upon an analysis of the cost of capital of Inteliquent's core business), yielding an enterprise value range of \$288 million to \$354 million for Inteliquent's core business.

For Inteliquent's Next Gen business, Perella Weinberg Partners calculated the terminal value by applying an exit multiple range of 8.0x to 12.0x to Company senior management's estimated EBITDA of Inteliquent's Next Gen business for calendar year 2021. Such exit multiples were selected based upon Perella Weinberg Partners' view of appropriate valuation multiples for Inteliquent's Next Gen business based on the current state of the market for companies comparable to Inteliquent's Next Gen business. Perella Weinberg Partners then calculated the net present values of the future cash flows and terminal value of Inteliquent's Next Gen business by applying a discount rate range of 15.00% – 20.00% (which

was selected based upon an assessment of appropriate cost of capital for an early stage business comparable to Inteliquent’s Next Gen business), yielding an enterprise value range of \$66 million to \$129 million for Inteliquent’s Next Gen business.

Perella Weinberg Partners then calculated the implied equity value range of the Company by adding (i) the enterprise value range of each of Inteliquent’s Core business and Inteliquent’s Next Gen business and (ii) the net cash of the Company as of June 30, 2016 per Company senior management’s guidance. From this analysis, Perella Weinberg Partners derived an indicative implied price per share range for shares of Inteliquent common stock, as compared to the merger consideration as set forth in the following table:

<u>Implied Price Per Share Range</u>	<u>Merger Consideration</u>
\$13.71 — \$17.38	\$ 23.00

74. Without such undisclosed information, Inteliquent stockholders cannot evaluate for themselves whether the financial analyses performed by Perella were based on reliable inputs and assumptions or whether they were prepared with an eye toward ensuring that a positive fairness opinion could be rendered in connection with the Proposed Transaction. In other words, full disclosure of the omissions identified above is required in order to ensure that stockholders can fully evaluate the extent to which Perella’s opinion and analyses should factor into their decision whether to vote in favor of or against the Proposed Transaction.

Material Omissions Concerning the “Go-Shop”

75. The Proxy also fails to disclose material information relating to the “go shop” period including, but not limited to: (i) the Company’s communications with any of the parties Inteliquent or Perella contacted during the “go shop” period; and (ii) whether NDAs were executed between the Company and any of the 43 participants involved in the go-shop and the terms of the NDAs.

76. The omission of this information renders the following statements in the Proxy false and/or materially misleading in contravention of the Exchange Act:

(a) From page 38 of the Proxy:

After the announcement of the transaction and the commencement of the “go shop” period, Company senior management and Perella Weinberg Partners, at the direction of the Board and the transaction committee, contacted or responded to inbound interest from 43 market participants about pursuing a strategic transaction with the Company, including 13 potential strategic buyers and 30 potential financial buyers. On December 5, 2016, the “go shop” period concluded. Despite continuous and significant efforts from the Company and its advisors during the “go shop” period, none of the potential strategic or financial buyers contacted by the Company or its advisors submitted an alternative proposal.

77. Defendants’ failure to provide Inteliquent stockholders with the foregoing material information renders the statements in the “Background of the Merger” and “Reasons for the Merger and Recommendation of the Board of Directors” sections of the Proxy false and/or materially misleading and constitutes a violation of Sections 14(a) and 20(a) of the Exchange Act, and SEC Rule 14a-9 promulgated thereunder. The Individual Defendants were aware of their duty to disclose this information and acted negligently (if not deliberately) in failing to include this information in the Proxy. Absent disclosure of the foregoing material information prior to the stockholder vote on the Proposed Transaction, Plaintiff and the other members of the Class will be unable to make a fully-informed decision whether to vote in favor of the Proposed Transaction and are thus threatened with irreparable harm warranting the injunctive relief sought herein.

CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

Class Claims Against All Defendants for Violations of Section 14(a) of the Exchange Act And SEC Rule 14a-9 Promulgated Thereunder

78. Plaintiff repeats all previous allegations as if set forth in full.

79. SEC Rule 14a-9, 17 C.F.R. §240.14a-9, promulgated pursuant to Section 14(a) of the Exchange Act, provides:

No solicitation subject to this regulation shall be made by means of any proxy statement, form of proxy, notice of meeting or other communication, written or oral, containing any statement which, at the time and in light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading.

80. During the relevant period, defendants disseminated the false and misleading Proxy specified above, which failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in violation of Section 14(a) of the Exchange Act and SEC Rule 14a-9 promulgated thereunder.

81. By virtue of their positions within the Company, the defendants were aware of this information and of their duty to disclose this information in the Proxy. The Proxy was prepared, reviewed, and/or disseminated by the defendants. The Proxy misrepresented and/or omitted material facts, including material information about the sale process for the Company, the consideration offered in the Proposed Transaction, and the actual intrinsic value of the Company's assets. The defendants were at least negligent in filing the Proxy with these materially false and misleading statements. The defendants have also failed to correct the Proxy and the failure to update and correct false statements is also a violation of Section 14(a) of the Exchange Act and SEC Rule 14a-9 promulgated thereunder.

82. The omissions and false and misleading statements in the Proxy are material in that a reasonable stockholder would consider them important in deciding how to vote on the Proposed Transaction. In addition, a reasonable investor would view a full and accurate disclosure as significantly altering the "total mix" of information made available in the Proxy and in other information reasonably available to stockholders.

83. By reason of the foregoing, the defendants have violated Section 14(a) of the

Exchange Act and SEC Rule 14a-9(a) promulgated thereunder.

84. Because of the false and misleading statements in the Proxy, Plaintiff and the Class are threatened with irreparable harm, rendering money damages inadequate. Therefore, injunctive relief is appropriate to ensure defendants' misconduct is corrected.

SECOND CLAIM FOR RELIEF

Class Claims Against the Individual Defendants for Violation of Section 20(a) of the Exchange Act

85. Plaintiff repeats all previous allegations as if set forth in full.

86. The Individual Defendants acted as controlling persons of Inteliquent within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their positions as officers or directors of Inteliquent and participation in or awareness of the Company's operations or intimate knowledge of the false statements contained in the Proxy filed with the SEC, they had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading.

87. Each of the Individual Defendants was provided with or had unlimited access to copies of the Proxy and other statements alleged by Plaintiff to be misleading prior to or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

88. In particular, each of the Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company, and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same. The Proxy at issue contains the unanimous recommendation of each of the Individual Defendants to approve the Proposed Transaction.

They were, thus, directly involved in the making of this document.

89. In addition, as the Proxy sets forth at length, and as described herein, the Individual Defendants were each involved in negotiating, reviewing, and approving the Proposed Transaction. The Proxy purports to describe the various issues and information that they reviewed and considered — descriptions which had input from the Individual Defendants.

90. By virtue of the foregoing, the Individual Defendants have violated Section 20(a) of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment and preliminary and permanent relief, including injunctive relief, in his favor on behalf of Inteliquent, and against defendants, as follows:

A. Ordering that this action may be maintained as a class action and certifying Plaintiff as the Class representative and Plaintiff's counsel as Class counsel;

B. Preliminarily and permanently enjoining defendants and all persons acting in concert with them from proceeding with, consummating, or closing the Proposed Transaction and any vote on the Proposed Transaction;

C. In the event defendants consummate the Proposed Transaction, rescinding it and setting it aside or awarding rescissory damages to Plaintiff and the Class;

D. Declaring that defendants violated Sections 14(a) and/or 20(a) of the 1934 Act, as well as Rule 14a-9 promulgated thereunder;

E. Directing the Individual Defendants to disseminate a Proxy Statement that does not contain any untrue statement of material fact and that states all material facts required in it or necessary to make the statements contained therein not misleading;

F. Awarding Plaintiff the costs of this action, including reasonable allowance for Plaintiff's attorneys' and experts' fees; and

G. Granting such other and further relief as this Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury on all claims and issues so triable.

Dated: December 15, 2016

/s/ Theodore B. Bell

**WOLF HALDENSTEIN ADLER
FREEMAN & HERZ LLC**

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