



News

R E L E A S E

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**\$174M COGENT OFFERING TO CLOSE TODAY DESPITE
ACTIVE FEDERAL WHISTLEBLOWER CASE
FAILURE TO DISCLOSE DOJ, SEC, IRS-CI
INVESTIGATIONS MAY EXPOSE BUYERS TO MATERIAL RISK**

WASHINGTON, D.C. — April 11, 2025 — A \$174.4 million IPv4-backed securitization by Cogent Communications Holdings, Inc. (NASDAQ: CCOI) is reportedly scheduled to close today—despite an active federal whistleblower case under formal review by multiple regulatory agencies.

The whistleblower, David J. Koch—co-founder and former President, CEO, and Chairman of Fiber Network Solutions, Inc. (FNSI)—has submitted a 125-page federal report to the Department of Justice (DOJ), Securities and Exchange Commission (SEC), Internal Revenue Service—Criminal Investigation (IRS-CI), and FINRA. The report details a 22-year pattern of continued concealment and misconduct, including:

- A fraudulent 2003 acquisition of FNSI while Koch was medically incapacitated.
- Insider payoffs and manipulation of equity positions.
- Falsified legal documents and NDAs used to obstruct witness cooperation.
- Continued concealment by individuals still connected to Cogent.

Cogent’s offering materials, press releases, and investor disclosures contain no mention of the whistleblower report or the ongoing federal investigations—despite formal notice being acknowledged weeks before the offering was announced.

“If this offering closes without disclosing material risk to underwriters and institutional buyers, Cogent and its affiliates could face serious exposure under federal securities law,” said a representative for the whistleblower. “This is not a private dispute. It is an active federal matter involving multiple agencies.”

RECENT TIMELINE OF CONCERN:

- March 19, 2025 – Cogent’s Chief Legal Officer formally receives and acknowledges whistleblower notice regarding federal filings.
- April 4, 2025 – Cogent publicly announces \$174.4 million IPv4 securitization (Series 2025-1).
- April 5, 2025 – Whistleblower report submitted to DOJ, SEC, IRS-CI, and FINRA. Receipt of Formal acknowledgment April 9, 2025.

- April 9, 2025 – Cyber surveillance logs confirm website activity and intrusion attempts originating from networks linked to named parties.

LEGAL RISKS MAY INCLUDE:

- Material omission of known risk – Failure to disclose whistleblower filings and agency inquiries may violate SEC disclosure rules governing material information in securities offerings.
- Obstruction of justice – Under 18 U.S.C. § 1512, any efforts to suppress or conceal evidence tied to the report may trigger obstruction charges.
- Ongoing conspiracy – Per 18 U.S.C. § 371, active concealment of a past financial crime constitutes a continuing conspiracy under federal law.
- Fraudulent concealment – As held in *Klehr v. A.O. Smith Corp.*, 521 U.S. 179 (1997), a statute of limitations is tolled if a defendant’s affirmative acts of concealment prevent discovery of the wrongdoing.

“Every institutional buyer participating in this transaction has a right to full disclosure,” said the whistleblower’s representative. “If the deal proceeds without acknowledging the federal investigations and formal whistleblower filings, those involved—including underwriters, legal counsel, and executive officers—may face exposure under federal securities and obstruction laws.”

For supporting documentation, including whistleblower notices delivered to Cogent and the company’s formal acknowledgment of receipt, visit: <https://KyleBacon.net/news.html>

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