



News

R E L E A S E

FOR IMMEDIATE RELEASE

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11 QUESTIONS COGENT'S LEADERSHIP CAN NO LONGER IGNORE

FOLLOWING \$174M DEAL CLOSURE AMID WHISTLEBLOWER INVESTIGATIONS

WASHINGTON, D.C. – April 16, 2025 — Just days after it was revealed that Cogent Communications Holdings, Inc. (NASDAQ: CCOI) closed a \$174.4 million IPv4 securitization transaction amid ongoing federal whistleblower investigations. New forensic and legal evidence indicates that Cogent's CEO, David Schaeffer, may have committed perjury by signing and certifying offering documents under penalty of perjury while knowingly concealing the company's criminal exposure. Aside from the obvious Sarbanes-Oxley implications, this conduct may also constitute a violation of 18 U.S.C. § 1001, which prohibits

knowingly and willfully making false statements or concealing material facts in matters within the jurisdiction of the federal government, including SEC filings.

The 137-page whistleblower report—submitted to the U.S. Department of Justice, FBI, SEC, IRS-CI, FINRA, and other federal agencies—documents a 22-year pattern of concealment stemming from the 2003 acquisition of Fiber Network Solutions, Inc. (FNSI). That acquisition occurred while David J. Koch—the company's co-founder, president, CEO, and chairman—was medically incapacitated and not expected to survive. During that period, Koch was unlawfully stripped of control of the company and his 1.2 million shares in a series of acts now alleged to constitute criminal, ethical, and fiduciary misconduct.

Between March 14 and March 19, 2025, four formal legal notices were sent to Cogent Communications. These notices laid out the scope of the alleged conspiracy, identified the involvement of multiple federal investigative bodies, and warned of severe legal consequences for failure to disclose material risks. Receipt was acknowledged in writing on March 19, 2025, by Cogent's Chief Legal Officer, John Chang—who has remained silent since.

On April 5, 2025, a final Memorandum was issued to Cogent's full Board of Directors. It explicitly warned of potential felony liability, individual exposure, and the imminent risk of denial of D&O insurance coverage due to the company's failure to disclose material facts. The Board did not respond.

KEY DOCUMENTS ACCESSED BY WILMINGTON TRUST POST-CLOSING:

- March 21, 2025 – Consolidated Legal Disclosure to Cogent:
https://fibernetworksolutions.net/ewExternalFiles/20250321_Email_Cogent_Koch.pdf
- April 5, 2025 – Memo to Cogent's Board of Directors:
<https://fibernetworksolutions.net/ewExternalFiles/MEMO%20TO%20COGENT%20BOARD.pdf>
- April 14, 2025 – News Release: “\$174M Cogent Deal Closes Despite Active Whistleblower Investigations”
https://fibernetworksolutions.net/ewExternalFiles/News_Release20250414_174MCOGENT_DEAL_CLOSSES.pdf
- April 15, 2025 – News Release: “Wilmington Trust Accessed Whistleblower Disclosure Only After Finalizing Cogent Deal”
https://fibernetworksolutions.net/ewExternalFiles/News_Release_Wilmington_Trust_20250415.pdf

Despite receiving multiple legal notices and formal warnings, Cogent omitted any reference to the active whistleblower investigation or federal criminal inquiries in its April 4, 2025 Offering Memorandum. No disclosures were made in SEC filings, investor materials, or public statements. Nevertheless, Cogent proceeded to finalize its \$174.4 million transaction with Wilmington Trust on April 11, 2025—placing institutional investors, insurers, and the Indenture Trustee at material risk.

**ELEVEN URGENT QUESTIONS COGENT'S EXECUTIVE
LEADERSHIP AND BOARD OF DIRECTORS MUST NOW ANSWER:**

1. Why did Cogent fail to disclose the existence of an active federal whistleblower investigation—acknowledged by its own Chief Legal Officer—to investors, underwriters, and the public prior to executing the \$174.4 million securitization deal?
2. Did Cogent's Board of Directors review, discuss, or investigate the legal notices or whistleblower disclosures—including the March 19, 2025 final notice—before approving or authorizing the \$174.4 million transaction?
3. Why has Cogent's Chief Legal Officer, John Chang, remained publicly silent after confirming receipt of four separate legal notices outlining federal criminal investigations and whistleblower claims?
4. What internal legal, compliance, or audit procedures—if any—were triggered when federal criminal notices were delivered to Cogent's executive team, board of directors and legal department?
5. Why is Cogent's 2003 acquisition of Fiber Network Solutions, Inc.—the foundational transaction that seeded its revenue model—completely omitted from its 2004 S-1 IPO registration and all subsequent SEC filings?
6. Why was the FNSI acquisition buried in Exhibit 2.5—an unindexed, miscellaneous-assets attachment to the S-1—with no stockholder lists, board

resolutions, option records, or transaction schedules disclosed to investors or the SEC?

SEC Source:

https://www.sec.gov/Archives/edgar/data/1158324/000104746903011242/a2106111zex-2_5.htm

7. Has Cogent disclosed the existence of whistleblower legal notices and federal criminal investigations to its D&O insurance carriers, bond underwriters, or institutional investors—and if not, does that constitute material nondisclosure or insurance fraud?
8. What specific communications—if any—occurred between Cogent's leadership and Wilmington Trust regarding the whistleblower disclosures prior to the April 11, 2025 closing, and why did Wilmington Trust only access those materials after the transaction was finalized?
9. Were any officers, board members, or legal counsel at Cogent involved in or aware of any attempts to suppress, delete, or manipulate emails, internal communications, or historical records related to the 2003 acquisition of Fiber Network Solutions, Inc.?
10. Has Cogent launched any internal investigation into the whistleblower's criminal allegations, and if so, will the results be disclosed to regulators, shareholders, or the public?
11. Why, after receiving multiple opportunities to resolve this matter constructively and confidentially, did Cogent's leadership choose silence? Was the



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truth too damaging to the company's narrative—and to the individuals who built their careers on it?

“This \$174.4 million IPv4 securitization was buried deep in the exhibits of an 8-K—no press release, no investor advisory, no public acknowledgment,” said Koch. “It mirrors exactly how they stole Fiber Network Solutions from me in 2003. That deal—unlike every other acquisition they've made—was concealed in Exhibit 2.5 of their S-1 registration, buried as ‘miscellaneous assets,’ with no shareholder records, no governance documents, and no supporting schedules. Every disclosure that mattered was omitted.”

SEC Source:

https://www.sec.gov/Archives/edgar/data/1158324/000104746903011242/a2106111zex-2_5.htm

“It was my company's stolen proprietary systems, trade secrets, intellectual property and operational architecture that built Cogent into what it is today.”

“This is no longer just about what happened in 2003,” said a spokesperson for the whistleblower. “It's about the two decades of cover-up that followed, and the conscious decision by executives and board members to conceal the truth into 2025. If Cogent's leadership had responded ethically to the whistleblower notices, none of this would be public. The cover-up is now the crime.”

All documents and disclosures are available at:

<https://FiberNetworkSolutions.net>



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