



# News

R E L E A S E

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## THREE BOARD MEMORANDUMS STRIKE SIMULTANEOUSLY

COGENT COMMUNICATIONS, WILMINGTON TRUST, AND M&T  
BANK NOW FORMALLY ON LEGAL AND ETHICAL RECORD IN  
FEDERAL WHISTLEBLOWER CASE INVOLVING COGENT'S  
CONCEALED CORPORATE ORIGIN AND A \$174.4 MILLION  
SECURITIES TRANSACTION

WASHINGTON, D.C. – April 21, 2025 — Following a series of public disclosures, federal whistleblower filings, and formal notices issued in March and April, three major institutions are now officially on legal and ethical record for their roles in a \$174.4 million IPv4 securitization deal executed by Cogent Communications Holdings, Inc. (NASDAQ: CCOI) amidst undisclosed fraud at the center of Cogent's foundation.

On April 11, 2025, Cogent finalized the transaction with Wilmington Trust acting as indenture trustee and M&T Bank as parent entity, despite multiple legal warnings that the underlying assets and corporate foundation were tied to a criminally concealed acquisition of Fiber Network Solutions, Inc. (FNSI) in 2003.

The acquisition of FNSI was made while its co-founder, president, CEO, chairman and majority shareholder, David J. Koch was incapacitated due to severe illness, under activities that demonstrate clear legal, ethical, and criminal misconduct. Koch was forcibly and unlawfully divested of control of his company, along with his 1.2 million shares.

Rather than a legitimate corporate acquisition, a deliberate financial fraud was orchestrated among Kyle Bacon his family and a small inside group within FNSI and Cogent, ensuring that insiders extracted company value while bypassing rightful shareholder entitlements.

In early 2003, rather than a standard stock transaction, this transaction was camouflaged as an “asset sale”—a structure that effectively nullified Koch’s 1.2 million shares and redirected financial benefits through a sophisticated web of undisclosed and deliberately concealed mechanisms. The belief was that Koch would not survive his medical challenges to uncover this activity. As a result of at least eight predicate acts since December 2023 that attempt to conceal, obstruct and destroy evidence have reset the federal statute of limitations to March 2025 as an ongoing criminal conspiracy.

The FNSI acquisition was omitted from the main body of Cogent’s 2004 S-1 SEC registration. It is hidden in an obscure unindexed exhibit (Exhibit 2.5) generically

categorized as ‘miscellaneous assets,’ lacking board minutes, shareholder schedules, or governance documents. All schedules were omitted. Cogent made no press release nor did it issue any public statement to alert shareholders or the SEC. [https://www.sec.gov/Archives/edgar/data/1158324/000104746903011242/a2106111zex-2\\_5.htm](https://www.sec.gov/Archives/edgar/data/1158324/000104746903011242/a2106111zex-2_5.htm)

This omission is not only factually documented—it represents a potential material nondisclosure under federal securities law, especially when paired with the later monetization of those assets in the 2025 securitization.

Recently uncovered evidence confirmed that this was not an isolated event, but rather a 22-year ongoing effort to conceal financial misconduct—an effort that continues to this day.

The very recent evidence confirms that criminal efforts to manipulate, deceive, and silence key individuals are ongoing. All statute of limitations have been reset.

By last Friday, April 18, 2025, each board had received a formal memorandum placing them on record and confirming their legal exposure, reputational risk, and fiduciary responsibility in relation to the \$174.4 million securitization executed under false pretenses.

- Read the full memorandum to Cogent Communications Holdings Inc.
- Read the full memorandum to Wilmington Trust N.A.
- Read the full memorandum to M&T Bank Corporation

## COGENT WAS WARNED – AND CHOSE SILENCE

Between March 14 and March 19, 2025, Cogent’s executive leadership, board of directors, and Chief Legal Officer received four separate legal notices detailing criminal exposure tied to the concealed FNSI acquisition,

suppressed shareholder records, and ongoing whistleblower obstruction.

Chief Legal Officer, John Chang did not dispute the claims. He issued no questions. He offered no denials of fact. Instead, he acknowledged receipt of the notices and flatly refused to respond further.

“You should not expect responses to your future correspondence. We will reply if and when we believe a reply is warranted.” — John Chang, Chief Legal Officer, March 19, 2025.

That email is now Exhibit A—confirmation that Cogent was formally on notice and made a conscious decision to reject cooperation. It also constitutes the eighth affirmative act of concealment since December 2023—resetting the federal statute of limitations to March 19, 2025.<sup>1</sup>

John Chang's email served to confirm Cogent's formal notice while simultaneously stating its deliberate choice to reject cooperation.

That email may prove to be the digital match that reignited a 22-year smoldering fire and triggered the regulatory avalanche now barreling toward Cogent's boardroom.

Industry observers believe Wilmington Trust may have already frozen the \$174.4 million securitization proceeds or initiated claw back discussions in response to Cogent's failure to disclose ongoing federal criminal exposure prior to closing.

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<sup>1</sup> Federal Statute of Limitations Reset: *Klehr v. A.O. Smith Corp.*, 521 U.S. 179 (1997), *Merck & Co. v. Reynolds*, 559 U.S. 633 (2010), *United States v. Smith*, 740 F.2d 734 (9th Cir. 1984), *United States v. Arnold*, 117 F.3d 1308 (11th Cir. 1997), *United States v. Levine*, 457 F.2d 1186 (10th Cir.1972), and *Toussie v. United States*, 397 U.S. 112 (1970).

If John Chang was the firewall, Dave Schaeffer was the arsonist. No legitimate board can review the March correspondence, the company's official disregard of allegations of corporate fraud from a federal whistleblower, the buried Exhibit 2.5, and the \$174.4 million securitization, and still claim ignorance.

The March 14–19 email exchange, preserved in the March 21 PDF, clearly identified David J. Koch as a federally recognized whistleblower and extended an offer to share the report submitted to the FBI, SEC and IRS-CI. Mr. Chang's refusal was not a dismissal of risk; it was a formal rejection of accountability. And unless he acted alone, that silence now implicates both Cogent's CEO and its general counsel in coordinated obstruction. The question is no longer whether Dave Schaeffer faces criminal scrutiny. The question is when.

This wasn't a misunderstanding. It was a corporate decision. Mr. Chang's response was not written in haste. It was deliberate. It was likely reviewed. And it may have been approved at the highest levels. That single decision now defines the legal and reputational exposure of Cogent's entire executive suite and board of directors – directors who were all advised to seek independent personally retained criminal counsel.

Mr. Chang may not realize it yet, but his email is no longer just a refusal. It is now a roadmap to discovery — and likely Exhibit A in the depositions to come.

Mr. Chang's March 19 response also followed explicit off-ramps extended by the whistleblower, including a formal invitation to review the FBI report, settle the matter discreetly, and distance Cogent from Kyle Bacon's personal misconduct. Mr. Chang and Cogent were extended no fewer

than six distinct lifelines during the March 14–19 exchange. Instead, Chang's categorical refusal closed the door to cooperation, which transformed Cogent's legal exposure from potential oversight into a deliberate act of concealment. That single email may now be viewed by regulators as the moment Cogent chose to protect the cover-up rather than correct it.

Despite receiving detailed evidence, Cogent's Chief Legal Officer refused to dispute the facts and issued a blanket denial—without reviewing the FBI submission or requesting clarification. That silence now constitutes formal notice and may represent willful obstruction under federal law.

But the real decision-maker was never John Chang. As Cogent's longtime CEO, Dave Schaeffer was the only individual with the authority, the knowledge, and the motive to reject every lifeline that was offered.

The concealment of the FNSI acquisition, the nullification of 1.2 million founder shares while he was medically incapacitated, the omission from Cogent's S-1, the buried unindexed Exhibit 2.5, and now the monetization of those stolen assets through the IPv4 securitization, all occurred under Schaeffer's direct leadership. If Chang was merely carrying out instructions, then the silence never belonged to him. It belonged to Schaeffer. And that silence may soon form the foundation of criminal liability.

It is now reasonable to ask whether Cogent's board of directors has initiated internal discussions regarding leadership accountability. If they have not, that conversation may soon be forced—by shareholders, regulators, or the rule of law itself.

## ACCESS LOGS SHOW COGENT WATCHING

Following the publication of these legal disclosures to the boards of Cogent, Wilmington Trust and M&T Bank, Cloudflare security records confirm that on April 18, 2025, Cogent Communications (ASN 174) accessed multiple whistleblower disclosures hosted on the [whistleblower's website](#).<sup>2</sup> ASN 174 recorded more than 240 site visits in under 48 hours. This voluminous site access strongly suggests internal panic and executive-level scrutiny. The confirmed IP addresses fall within Cogent's corporate-owned network space and accessed materials including:

- Authenticated audio recordings of Kyle Bacon, the central conspirator who was hired by Cogent following the concealed acquisition of FNSI
- Whistleblower emails with Cogent
- Legal memorandums and whistleblower notices, including John Chang's March 19 refusal
- The "Who Is Dave Koch" page, outlining the founder's role and historical achievements that created the value in FNSI and later became the foundation of Cogent's entire business model

Despite accessing these materials, Cogent's board and legal counsel have issued no statements and taken no visible corrective action.

## KYLE BACON'S RECORDED CONFESSION: FNSI BUILT COGENT'S BUSINESS MODEL

In a verified audio recording, Kyle Bacon reveals that his first assignment after the acquisition of FNSI, and his full-

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<sup>2</sup> <https://FiberNetworkSolutions.net>

time engagement with Cogent, CEO Dave Schaeffer told him the three colocation centers acquired from PSInet were hemorrhaging approximately \$60,000 per month each – \$150,000 combined – against \$12,000 in total revenue – losses that were unsustainable. Those were the first data centers Cogent have ever acquired and operated.

According to Bacon, Schaeffer pointed out that the five colocation centers he “bought” with the FNSI acquisition were profitable, and asked if Bacon could replicate their performance. Bacon responded by deploying FNSI’s stolen systems, intellectual property, proprietary architecture, and operational playbook—transforming the failing PSInet liabilities into profitable data centers in only nine months. Bacon states to Koch, “I took our model – I took our data center model...” Kyle further explains how he took FNSI’s sales playbook and presented it to Cogent’s sales department.

Nine months later, Cogent’s three PSInet data centers went from losing \$150,000 a month to earning over \$110,000 a month.

That is what Koch owned. That is what Cogent—and a small group led by Bacon—stole while FNSI’s founder, President and CEO was medically incapacitated.

That was not a purchase. It was a predatory confiscation.

Bacon’s quotes aren’t nostalgia. They are a confession.

The model that built Cogent wasn’t theirs—it was stolen.

That operational pivot became the foundation of Cogent’s entire business model—a model that remains its core to this day.

Listen to a sliver of Bacon's confession at:

<https://FiberNetworkSolutions.net/news.html>

The pattern and details surrounding the FNSI acquisition while its founder was fighting for his life, wasn't a stock transaction. It was asset theft. That was not an acquisition and today, it is a 22-year cover-up.

### WILMINGTON TRUST AND M&T NOW HOLD THE PAPER

On April 11, 2025, Wilmington Trust and M&T Bank became financial stewards of a deal collateralized by assets derived from the concealed acquisition of FNSI—an acquisition executed while its founder, president, CEO, chairman, and majority shareholder, David J. Koch, was medically incapacitated. It was, in effect, the predatory exploitation of a vulnerable owner. Two credible sources informed Kyle Bacon and FNSI's CFO and treasurer, currently under investigation, that Koch was not expected to survive his medical condition for more than six months. The transaction was concealed—because they believed he wouldn't live long enough to uncover it.

Despite receiving detailed warnings through press releases published on April 14 and April 15, neither institution has issued corrective disclosures, initiated public response, or disclaimed involvement. As of April 18, 2025, both boards are now formally on legal and ethical record—no longer insulated by ignorance but defined by informed inaction.

This was not merely a financial transaction—it was the conversion of a concealed criminal history into tradable securities. They now hold the paper. They now hold the truth.

Now the world is watching what they do with the truth that they were given.

If Wilmington and M&T were unaware of this history prior to April 11, they are no longer in the dark. The paper they now hold is no longer just a financial instrument—it is a mirror reflecting the integrity of their institutions.

There is still time for Wilmington and M&T to choose how they will be remembered: as passive enablers of a concealed fraud, or as institutions that chose to uphold the truth once it stood plainly before them.

#### ONE FINAL FACT: THE FOUNDER WASN'T EVEN IN THE ROOM

Despite being the founder, CEO, and majority shareholder, Koch was not present for the board meeting in which his company was stolen. That meeting took place immediately after he handed a proxy to Kyle Bacon, who he then trusted—while he was medically incapacitated. It was allegedly included participation by an attorney who was fired by Koch and subsequently reported to the Ohio Bar Association by FNSI's General Counsel and two outside attorneys. His loyalty had shifted from representation of FNSI to Kyle Bacon and several of his family members who were minority shareholders. The original board minutes were requested and never delivered, which may be the Rosetta Stone of the entire conspiracy. If those minutes are missing, sanitized, or altered, the cover-up isn't just suspected, it's confirmed in black and white.

The only thing more damaging than concealing a 22-year fraud that exploited a medically vulnerable owner is continuing to defend it. The whistleblower offered transparency. Cogent refused. The public now decides who acted in good faith — and who is running out of time.

Every click from Cogent's own network confirms they know. Every board that remains silent shifts from ignorance to

complicity. This chapter is being written in real time, and everyone reading it is already part of the record.

## SOME EVIDENCE NOW PUBLIC

The full timeline, authenticated recordings, searchable transcripts, legal notices, board memorandums, and supporting exhibits are now publicly available at:

<https://FiberNetworkSolutions.net>

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## LEGAL DISCLAIMER (STATE & FEDERAL PROTECTIONS):

This release is issued in good faith under the authority of federal whistleblower statutes and the Texas Citizens Participation Act (TCPA). All statements are grounded in firsthand knowledge, authenticated recordings, regulatory filings, and substantial supporting evidence. The author has submitted extensive documentation to the FBI, SEC, and IRS-CI. Any effort to suppress, intimidate, or retaliate against this communication will be treated as a violation of whistleblower protection laws and may trigger immediate civil or criminal consequences under state and federal statutes.