News
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EXHIBIT 2.5 – 22 YEARS OF UNANSWERED QUESTIONS

THE MOST DANGEROUS PAGE IN COGENT'S SEC HISTORY—WHILE THE DIVIDEND ROSE AND TRANSPARENCY COLLAPSED

WASHINGTON, D.C. – April 23, 2025 — In February 2003, Cogent Communications completed its acquisition of Fiber Network Solutions, Inc. (FNSI) through an "asset purchase" structure. But a single embedded document—Exhibit 2.5 of Cogent's S-1 SEC filing—may hold the key to what whistleblowers now describe as a 22-year corporate cover-up.

New evidence of post-transaction misconduct has reset the federal statute of limitations to March 2025, bringing the concealed details of this acquisition back into sharp legal focus.

Now widely regarded as the most dangerous page in Cogent's SEC history, Exhibit 2.5 references a series of critical schedules—all marked "omitted." These include:

- Schedule A: Assumed Contracts
- Schedule B: Assumed Liabilities
- Schedule C: Releases
- Schedule D: FNSI NOC Inventory Detail
- Attachment A1/B2: Customer Contracts
- Exhibit 1: Form of Option Agreement

These are the very documents that would have revealed who got paid, which liabilities were transferred, and how assets were reallocated.

"That's not normal," says whistleblower and FNSI co-founder David J. Koch. "That's not a red flag. That's a six-lane freeway of fraud indicators. These are the schedules that would show who got paid, how much, what liabilities were shifted, and who signed off."

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

At the time of the transaction, Koch was medically incapacitated. Newly recovered digital evidence confirms that the proxy used to approve the sale was authored by William J. Kelly, Esq.—an attorney who had been terminated by FNSI in 2000 and stripped of his stock options. Despite his termination, uncovered forensic evidence confirms that Kelly drafted the proxy that reassigned Koch's voting rights to Kyle Bacon—just one day before the board meeting that approved the deal.

No formal press release or shareholder communication was ever issued regarding the transaction. The only reference appeared in a non-syndicated web post on Cogent's internal site—quoting then-COO Kyle Bacon, while omitting any mention of Koch, the company's founder, President, CEO, Chairman, and majority shareholder at the time of sale.

"You don't just forget the CEO," Koch says. "You erase him when you know he never would have approved the deal—and when you want to erase his 1.2 million shares. And that's exactly what they did. That meeting wasn't just about signing resolutions. It was where they created the false narrative that I was out of the picture—and they counted on me dying before I could expose it."

TWO RED FLAGS NO INVESTOR CAN IGNORE

1. Exhibit 2.5 concealed the most critical elements of the acquisition—who got paid, what liabilities were transferred, and who authorized the deal.
2. Cogent's current dividend yield sits at 7.81%—far above industry norms and well beyond the company's earnings.

With earnings of just $0.69 per share and an annual dividend of $1.005, Cogent is now paying out more than 145% of its net income—a payout ratio widely viewed as unsustainable without borrowing or asset liquidation.

"That's not a sustainable dividend," Koch says. "That's a smoke screen. It's designed to calm the markets while concealing what they know is buried in their foundation."

Taken together, these two red flags paint a troubling picture: a company projecting financial confidence while withholding critical material disclosures. The stronger the dividend, the more deeply buried the liabilities may be—a warning sign to regulators, auditors, and institutional shareholders alike.

"They're not fighting me. They're fighting the facts—facts that now live in a hosted, indexed, and permanent digital archive," Koch said. "I'm not the threat. The truth is—and it's already out of their control."

KEY UNANSWERED QUESTIONS RAISED BY EXHIBIT 2.5

1. How much did Cogent pay for FNSI—and who received the proceeds?
2. Why were all payment schedules, liability assumptions, and option agreements omitted from the SEC filing?
3. Who authorized a terminated attorney to draft the proxy of a medically incapacitated CEO—without board approval or legal review?
4. Why was the FNSI acquisition excluded from Cogent's post-deal disclosures, earnings reports, and investor relations communications?
5. Were third-party intermediaries—such as Ion Partners LLC, whose domain was registered just 23 days after the Cogent–FNSI deal closed—used to distribute proceeds while concealing the recipients?

More than two decades later, Exhibit 2.5 remains uncorrected, unexplained, and unexamined by regulators or investors. It now sits at the center of an expanding federal whistleblower investigation involving the FBI, IRS-Criminal Investigation, and the U.S. Securities and Exchange Commission.

SUPPORTING MATERIALS

- Full FBI whistleblower report: [Available to authorized institutions]
- Audio recordings: Kyle Bacon acknowledging post-sale use of FNSI assets
- Metadata audit: Proxy file authored by terminated attorney William J. Kelly
- Cloudflare logs: Documented IP access from Cogent's ASN 174 network block

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