



# News

R E L E A S E

## FOR IMMEDIATE RELEASE

May 29, 2025

CONTACT:

Fiber Network Solutions, Inc.  
media@FiberNetworkSolutions.net  
(614) 364-4085  
*(Kindly Text or Email First)*

COGENT COMMUNICATIONS BUILT ITS FORTUNE ON A HIDDEN DEAL—AND ITS OFFICERS & DIRECTORS ARE NOW MEMBERS OF A RACKETEER INFLUENCED AND CORRUPT ORGANIZATION, 18 U.S.C. § 1962(d)

*“THEY BUILT THEIR EMPIRE ON WHAT THEY STOLE FROM ME—  
AND THEY’VE SPENT 22 YEARS HIDING IT.”*

*— DAVID J. KOCH, FEDERAL WHISTLEBLOWER*

WASHINGTON, D.C. — May 29, 2025 — Cogent Communications Holdings, Inc. (NASDAQ: CCOI) is now the subject of explosive federal whistleblower submissions alleging that its entire colocation business model—the foundation of its current market valuation—was built on the concealed 2003 acquisition of Fiber Network Solutions, Inc. (FNSI). The filings further assert that Cogent’s officers, legal counsel, and board of directors have engaged in an

ongoing criminal conspiracy to suppress all evidence of that transaction.

According to whistleblower David J. Koch, this is not civil misconduct—it is a coordinated criminal racketeering enterprise under 18 U.S.C. § 1962(d).

While Koch was medically incapacitated, insiders at FNSI structured a fraudulent sale of the company to Cogent Communications—erasing him and his 1.2 million shares of stock. The transaction was then buried in an obscure, unindexed exhibit to Cogent’s S-1 SEC registration, labeled as a generic “miscellaneous asset,” stripped of all schedules, and omitted entirely from the main body of the filing.

*“Today, because I didn’t die within six months as expected from my medical challenges—which was their plan—the missing schedules to [Exhibit 2.5](#) are now the most closely guarded documents in Cogent’s history,” said Koch. “They just didn’t have a contingency plan if I survived.”*

## THE MOMENT THAT CHANGED EVERYTHING

In 2003, Cogent was in serious financial distress, hemorrhaging \$150,000 per month on three failing colocation data centers acquired from PSI.net. That changed only after CEO Dave Schaeffer quietly acquired Fiber Network Solutions, Inc.—a company built by Koch—through an asset purchase agreement executed while Koch was gravely ill and not expected to survive.

What Schaeffer obtained wasn’t just hardware—it was Koch’s entire colocation model, his intellectual property, and proprietary trade secrets.

*“The five colocation centers I bought from you are profitable,”* Schaeffer told Kyle Bacon—Koch’s former partner, and now an alleged co-conspirator.

As Bacon’s first assignment after the FNSI acquisition and his transition to Cogent, Schaeffer directed him to replicate FNSI’s colocation model across Cogent’s struggling PSInet centers. Within months, Cogent’s losses vanished, the PSInet facilities became profitable, and the company pivoted fully into colocation—a model it continues to rely on to this day.

This pivotal directive is preserved in a recorded conversation now in the hands of investigators with the FBI, SEC, IRS-CI, FAA, and the U.S. Attorney for the Southern District of Ohio.

But the public, shareholders, the SEC, and investors were never told the truth. The entire transaction was buried—and the schedules to [Exhibit 2.5](#), which identify what was actually acquired and who was paid, have never been disclosed.

## TIMELINE OF LEGAL NOTICES SENT TO COGENT AND ITS OFFICERS & DIRECTORS

### MARCH 2025

1. March 14 – March 14 – Initial federal whistleblower notice sent to CEO Dave Schaeffer and Chief Legal Officer John Chang.
2. March 17 – March 17 – Follow-up correspondence providing a detailed timeline and contextual analysis of Exhibit 2.5.

3. March 18 – Statutory whistleblower rights asserted under 18 U.S.C. § 1514A
4. March 19 – Final internal notice issued prior to initiating public disclosure.

## APRIL 2025

5. April 5, 2025 – Memorandum sent to Cogent’s Board of Directors titled Imminent Denial of D&O Insurance Coverage – Criminal Exposure Risk.
6. April 21, 2025 – Notice of public news release: 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.
7. April 23, 2025 – Formal notice to Cogent’s Board highlighting that Exhibit 2.5 of the company’s S-1 SEC filing may hold the key to what whistleblowers now describe as a 22-year corporate cover-up.
8. April 30, 2025 – Mandatory board-wide distribution of final notice outlining criminal allegations related to the FNSI acquisition and the involvement of current Cogent directors and officers.

## MAY 2025

9. May 16 – “Cogent On Notice” letter delivered to Cogent’s board of directors and legal counsel.
10. May 21 – Formal demand for unredacted Exhibit 2.5 schedules.

11. May 23 – Five-page legal demand delivered citing violations under RICO, Sarbanes-Oxley (SOX), and multiple federal obstruction statutes.
12. May 23 – Legal response sent to Chief Legal Officer John Chang, formally outlining his individual and organizational criminal liability.
13. May 23 – Response from John Chang confirming refusal to produce the Exhibit 2.5 schedules, despite documented possession and prior legal notice.
14. May 27 – Final 48-hour legal warning issued to Cogent’s officers and directors, notifying them of imminent escalation to federal agencies.
15. May 27 – Public release issued: “Who Gave the Order – What Are They Hiding?”—a formal whistleblower statement naming potential co-conspirators and highlighting Cogent’s continued concealment of Exhibit 2.5 schedules.

Cogent and its officers and directors have received no fewer than fourteen explicit legal notices—each with preserved read receipts and PDF tracking data. The company continues to conceal the schedules from [Exhibit 2.5](#). Under 18 U.S.C. § 1962(d), each refusal to produce these materials constitutes an affirmative predicate act by the criminal enterprise—and each act resets the statute of limitations.

#### WHY THIS IS A CRIMINAL ENTERPRISE

- Cogent’s board has received repeated, legally documented notice that it is concealing a material document from both regulators and shareholders.
- Forensic logs, read receipts, and embedded PDF tracking confirm that board members—including

directors who are skilled attorneys—have accessed these notices and their attachments.

- No corrections have been made. No disclosures have been issued. The cover-up remains intact.

*“If the schedules didn’t confirm criminal activity, they would have produced them. If they never existed, then the company committed fraud when it referenced them in its SEC filings. Either way, this is obstruction—and the cover-up is worse than the original act,”* said Koch. *“Cogent’s Chief Legal Officer, John Chang, has already confirmed the schedules exist and remain in Cogent’s possession. His refusal to release them constitutes multiple new criminal violations—including obstruction under 18 U.S.C. § 1519, concealment of material information under 15 U.S.C. § 78j, and conspiracy under 18 U.S.C. § 1962(d).”*

## FOLLOW THE MONEY: SCHAEFFER’S \$4.3 MILLION STOCK LIQUIDATION

On May 15, May 22, and May 23, 2025, Cogent Communications CEO Dave Schaeffer sold a total of 90,000 shares of company stock for \$4,345,122—during a period of escalating whistleblower disclosures and intensifying legal scrutiny. According to SEC Form 4 filings:

- May 15 – 40,000 shares sold for \$2,015,036
- May 22 – 25,000 shares sold for \$1,156,768
- May 23 – 25,000 shares sold for \$1,173,318

These sales occurred within days of Cogent receiving legal demands and whistleblower notices alleging criminal concealment of the Exhibit 2.5 schedules—records that

form the foundation of Cogent’s concealed 2003 acquisition of Fiber Network Solutions, Inc.

Federal whistleblower David Koch has formally referred these stock sales for forensic review by the SEC, DOJ, IRS-CI, and the U.S. Attorney’s Office—citing concerns that the proceeds may have been used to:

- Suppress federal whistleblower disclosures
- Influence regulators or legal counsel
- Silence material witnesses
- Fund acts of obstruction or retaliation

If substantiated, these are not routine stock liquidations—they constitute potential predicate acts under 18 U.S.C. §§ 1961(1), 1962(d), 1519, and 1343, including RICO conspiracy, wire fraud, obstruction of justice, and bribery. Schaeffer’s \$4.3 million windfall may ultimately serve as a forensic roadmap to the financial core of a criminal enterprise.

## APPLICABLE STATUTES & FEDERAL FILINGS

The whistleblower’s submissions now implicate Cogent Communications under multiple federal criminal statutes, including:

- 18 U.S.C. § 1962(d) – RICO conspiracy
- 18 U.S.C. § 1519 – Destruction or concealment of records in a federal investigation
- 18 U.S.C. § 1832 – Theft of trade secrets
- 15 U.S.C. § 78j(b) – Securities fraud by omission

- 18 U.S.C. § 1512 – Tampering with a witness, victim, or informant

Five SEC TCR tracking numbers have been filed to date, alongside active case numbers with IRS-CI and multiple additional federal agencies.

## LEGAL NOTICE TO THE PUBLIC

This release is issued in the public interest and may be cited as evidence in ongoing or future criminal and regulatory investigations. Any continued concealment, alteration, or falsification of the Fiber Network Solutions [Exhibit 2.5](#) schedules will constitute new predicate acts under the RICO statute and additional obstruction under 18 U.S.C. § 1519.

*“If the Department of Justice ever had a clean shot at a corporate RICO prosecution—here it is,”* said Koch.

## MEDIA CONTACT:

David J. Koch

Federal Whistleblower

dave@koch.net

<https://fibernetworksolutions.net>

###