



News

R E L E A S E

FOR IMMEDIATE RELEASE

June 4, 2025

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COGENT RAISES \$600 MILLION IN DEBT AS CEO QUIETLY DUMPS \$5.5 MILLION IN STOCK:

WHISTLEBLOWER ALLEGES COORDINATED COVER-UP,
OBSTRUCTION, INSIDER DEALINGS AND RACKETEERING

WASHINGTON, D.C. — June 4, 2025 — Just two days after being publicly accused of criminal obstruction for withholding the schedules to [Exhibit 2.5](#)—a concealed acquisition agreement tied to the fraudulent 2003 takeover of Fiber Network Solutions, Inc. (FNSI)—Cogent Communications (NASDAQ: CCOI) announced a \$600 million senior secured notes offering.

According to whistleblower David J. Koch, the timing of the debt raise—combined with a wave of undisclosed executive stock sales—suggests a deliberate effort by Cogent insiders to shield themselves financially ahead of anticipated federal enforcement actions.

“This is not normal corporate behavior,” said Koch, the original founder of FNSI and now a federally recognized whistleblower. “You don’t ignore a federal demand, liquidate millions in insider stock, and then suddenly raise \$600 million in secured debt unless you’re bracing for regulatory impact.”

The federal demand Koch refers to concerns the long-suppressed schedules to [Exhibit 2.5](#)—an unindexed, generically categorized document buried under “miscellaneous assets” in Cogent Communications’ 2003 S-1 SEC registration. Now confirmed to be the full asset purchase agreement for Fiber Network Solutions, Inc., the exhibit memorializes an acquisition executed while Koch was medically incapacitated—during which his 1.2 million founding shares were erased without compensation, notice, or legal justification.

“[Exhibit 2.5](#) was so ‘inconsequential’ to Cogent when it filed its S-1 that the acquisition of my company wasn’t even disclosed in the body of the registration,” Koch said. “But now that it corroborates my 160-page federal whistleblower report, it’s become the most heavily guarded document in Cogent’s entire corporate archive.”

Cogent and its Board of Directors have received more than a dozen formal notices referencing the fraudulent 2003 acquisition of FNSI, along with recent predicate acts that have reset the statute of limitations under 18 U.S.C. § 1962(d) – RICO Conspiracy and multiple controlling federal precedents.

INSIDER LIQUIDATION BEFORE THE STORM

Securities filings show that Cogent CEO Dave Schaeffer quietly sold 115,000 shares—cashing out \$5,517,715—just before and after the May 27 deadline to produce the missing [Exhibit 2.5](#) schedules.

- May 15, 2025 — 40,000 shares sold for \$2,015,036
- May 22, 2025 — 25,000 shares sold for \$1,156,768
- May 23, 2025 — 25,000 shares sold for \$1,173,318
- May 29, 2025 — 25,000 shares sold for \$1,172,593

Schaeffer’s May 15 sale took place just one day before he received a formal legal demand for the missing Exhibit 2.5 schedules. His final transaction on May 29 occurred two days after the deadline expired—while Cogent remained publicly silent.

DEBT RAISE RAISES RED FLAGS

On June 2—just hours after new federal complaints were made public—Cogent announced a \$600 million senior secured debt offering, nominally to refinance \$500 million in 3.5% notes due 2026. The unexplained \$100 million excess, vaguely earmarked for “general corporate purposes,” has triggered new allegations of bad faith, evidence suppression, and strategic repositioning ahead of anticipated federal enforcement.

“If this offering were above board, why was it timed immediately after the whistleblower deadline—and why does none of it address Cogent’s escalating legal exposure?” Koch asked. “The public deserves to know whether this is genuine refinancing or a financial escape plan.”

PATTERN OF CONCEALMENT AND RETALIATION

Koch's June 2 statement outlined what legal analysts are now calling a sustained pattern of federal violations, including:

- 18 U.S.C. § 1962(d) — Conspiracy to Commit Racketeering (RICO)
- 18 U.S.C. § 1519 — Destruction or Concealment of Records in a Federal Investigation
- 15 U.S.C. § 78j(b) — Securities Fraud by Material Omission
- 18 U.S.C. § 1513(e) — Retaliation Against a Federal Whistleblower

With each passing day, Cogent's continued refusal to produce the Exhibit 2.5 schedules—coupled with its sudden financial repositioning—constitutes additional predicate acts under the RICO statute. Supplemental complaints are now being prepared for submission to the SEC, DOJ, IRS-CI, and the U.S. Attorney, incorporating new evidence tied to the June 2 debt offering and CEO Dave Schaeffer's stock sales.

BOARD ACCOUNTABILITY LOOMS

Koch further alleges that multiple members of Cogent's Board of Directors knowingly received federal whistleblower notices and formal document demands, yet failed to act—exposing themselves to potential personal liability under Delaware fiduciary law and multiple federal criminal statutes.

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“The board’s silence is no longer mere complicity—it now amounts to active participation,” said Koch. “This isn’t about whether laws were broken. It’s about who breaks first under scrutiny—and who steps forward to tell the truth.”

[Supporting Evidence and Documentation:](#)

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