

<b>FORM B1</b>	<b>United States Bankruptcy Court Southern District of New York</b>	<b>Voluntary Petition</b>
Name of Debtor (if individual, enter Last, First, Middle): Virtualis Systems, Inc.		Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 6 years (include married, maiden, and trade names): Hosting.com; Allegiance Internet		All Other Names used by the Joint Debtor in the last 6 years (include married, maiden, and trade names):
Soc. Sec./Tax I.D. No. (if more than one, state all): 75-2898169		Soc. Sec./Tax I.D. No (if more than one, state all):
Street Address of Debtor (No & Street, City, State & Zip Code):  5777 West Century Blvd., Suite 310 Los Angeles, CA 90045		Street Address of Joint Debtor (No & Street, City, State & Zip Code):
County of Residence or of the Principal Place of Business: Los Angeles County, California		County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address):		Mailing Address of Joint Debtor (if different from street address):
Location of Principal Assets of Business Debtor (if different from street address above):		
<b>Information Regarding the Debtor (Check the Applicable Boxes)</b>		
<b>Venue</b> (Check any applicable box) <input type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.		
<b>Type of Debtor</b> (Check all boxes that apply) <input type="checkbox"/> Individual(s) <input type="checkbox"/> Railroad <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Stockholder <input type="checkbox"/> Partnership <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Other _____		<b>Chapter or Section of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box) <input type="checkbox"/> Chapter 7 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Se. 304 - Case ancillary to foreign proceeding
<b>Nature of Debts</b> (Check one box) <input type="checkbox"/> Consumer/Non-Business <input checked="" type="checkbox"/> Business		<b>Filing Fee</b> (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form No. 3.
<b>Chapter 11 Small Business</b> (Check all boxes that apply) <input type="checkbox"/> Debtor is a small business as defined in 11 U.S.C. § 101 <input type="checkbox"/> Debtor is and elects to be considered a small business under 11 U.S.C. § 1121(e) (Optional)		THIS SPACE IS FOR COURT USE ONLY
<b>Statistical/Administrative Information</b> (Estimates only)* <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.		
Estimated Number of Creditors*    1-15    16-49    50-99    100-199    200-999    1000-over <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>		
Estimated Assets* \$0 to \$50,000    \$50,001 to \$100,000    \$100,001 to \$500,000    \$500,001 to \$1 million    \$1,000,001 to \$10 million    \$10,000,001 to \$50 million    \$50,000,001 to \$100 million    More than \$100 million <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>		
Estimated Debts* \$0 to \$50,000    \$50,001 to \$100,000    \$100,001 to \$500,000    \$500,001 to \$1 million    \$1,000,001 to \$10 million    \$10,000,001 to \$50 million    \$50,000,001 to \$100 million    More than \$100 million <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>		

\* Consolidated with Affiliates



## AFFILIATES

On May 14, 2003, each of the affiliated entities listed below (including the debtor in this chapter 11 case) filed in this Court a voluntary petition for relief under chapter 11 of title 11, United States Code. Contemporaneously with the filing of these petitions, such entities filed a motion requesting that their chapter 11 cases be consolidated for procedural purposes only and jointly administered.

Allegiance Telecom of New York, Inc.  
Allegiance Telecom, Inc.  
Adgrafix Corporation  
ALGX Business Internet, Inc.  
Allegiance Internet, Inc.  
Allegiance Telecom Company Worldwide  
Allegiance Telecom International, Inc.  
Allegiance Telecom of Arizona, Inc.  
Allegiance Telecom of California, Inc.  
Allegiance Telecom of Colorado, Inc.  
Allegiance Telecom of Florida, Inc.  
Allegiance Telecom of Georgia, Inc.  
Allegiance Telecom of Illinois, Inc.  
Allegiance Telecom of Indiana, Inc.  
Allegiance Telecom of Maryland, Inc.  
Allegiance Telecom of Massachusetts, Inc.  
Allegiance Telecom of Michigan, Inc.  
Allegiance Telecom of Minnesota, Inc.  
Allegiance Telecom of Missouri, Inc.  
Allegiance Telecom of Nevada, Inc.  
Allegiance Telecom of New Jersey, Inc.  
Allegiance Telecom of North Carolina, Inc.  
Allegiance Telecom of Ohio, Inc.  
Allegiance Telecom of Oklahoma, Inc.  
Allegiance Telecom of Oregon, Inc.  
Allegiance Telecom of Pennsylvania, Inc.  
Allegiance Telecom of Texas, Inc.  
Allegiance Telecom of the District of Columbia, Inc.  
Allegiance Telecom of Virginia, Inc.  
Allegiance Telecom of Washington, Inc.  
Allegiance Telecom of Wisconsin, Inc.  
Allegiance Telecom Purchasing Company  
Allegiance Telecom Service Corporation  
Coast to Coast Telecommunications, Inc.  
Hosting.com, Inc.  
InterAccess Telecommunications Co.  
Jump.Net, Inc.  
Shared Technologies Allegiance, Inc.  
Virtualis Systems, Inc.

## CERTIFICATE OF RESOLUTIONS

I, Mark B. Tresnowski, Executive Vice President, General Counsel and Secretary of Virtualis Systems, Inc., a California corporation (the "Company"), hereby certify that by a duly convened telephonic meeting of the Board of Directors of the Company held on May 14, 2003, the following resolutions were adopted in accordance with the requirements of the California General Corporation Law and that said resolutions have not been modified or rescinded and are still in full force and effect on the date hereof:

RESOLVED, that, in the judgment of the Board of Directors of the Company, it is desirable and in the best interests of the Company, its creditors, employees, and other interested parties that a petition be filed by the Company seeking relief under the provisions of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"); and it was further

RESOLVED, that each of the Chairman of the Board of Directors of the Company, the President, Chief Executive Officer, Chief Financial Officer, General Counsel, and each Vice President of the Company (collectively, the "Officers"), is hereby authorized, empowered, and directed, in the name and on behalf of the Company, to execute and verify petitions under chapter 11 of the Bankruptcy Code and to cause the same to be filed with the United States Bankruptcy Court for the Southern District of New York at such time as said officer executing the same shall determine; and it was further

RESOLVED, that the Officers are each hereby authorized, empowered, and directed to execute and file all petitions, schedules, motions, lists, applications, pleadings, and other papers, and, in that connection, to employ and retain all assistance by legal counsel, accountants, financial advisors, and other professionals, and to take and perform any and all further acts and deeds which they deem necessary, proper, or desirable in connection with the Company's chapter 11 case, with a view to the successful prosecution of such case; and it was further

RESOLVED, that the Officers are each hereby authorized, empowered, and directed, in the name and on behalf of the Company, to execute and deliver agreements for the use of cash collateral in connection with the Company's chapter 11 case, including the granting of liens to such lender(s) to such agreement(s), and to take such additional action and to execute and deliver each other agreement, instrument, or document to be executed and delivered by or on behalf of the Company pursuant thereto or in connection therewith, all with such changes therein and

additions thereto as any such officer approves, such approval to be conclusively evidenced by the taking of such action or by the execution and delivery thereof; and it was further

RESOLVED, that the Officers are each hereby authorized, empowered, and directed, in the name and on behalf of the Company, to cause the Company to enter into, execute, deliver, certify, file and/or record, and perform, such agreements, instruments, motions, affidavits, applications for approvals or ruling of governmental or regulatory authorities, certificates, or other documents, and to take such other action, as in the judgment of such Officer shall be or become necessary, proper, and desirable to effectuate a successful reorganization of the Company's business; and it was further

RESOLVED, that the Officers are each hereby authorized and directed to continue to employ the firm of Kirkland & Ellis as attorneys for the Company to represent and assist the Company in carrying out its duties including those under the Bankruptcy Code, and in connection therewith, any of the Officers be, and each hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the chapter 11 case, and to cause to be filed an appropriate application for authority to retain the services of Kirkland & Ellis; and it was further

RESOLVED, that the Officers are each hereby authorized and directed to continue to employ the firm of Greenhill & Co., LLC as financial advisors to the Company to represent and assist the Company in carrying out its duties including those under the Bankruptcy Code, and in connection therewith, any of the Officers be, and each hereby is, authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the chapter 11 case, and to cause to be filed an appropriate application for authority to retain the services of Greenhill & Co., LLC; and it was further

RESOLVED, that any and all past actions heretofore taken by Officers or directors of the Company in the name and on behalf of the Company in furtherance of any or all of the preceding resolutions be, and the same hereby are, ratified, confirmed, and approved.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day  
of May, 2003.

/s/ Mark B. Tresnowski  
By: Mark B. Tresnowski, Esq.  
Title: Executive Vice President, General Counsel and  
Secretary