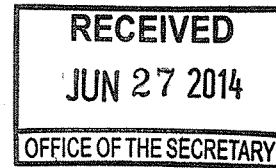


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 72417/June 18, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15934

_____)
In the Matter of)
)
AI Systems, Inc.)
(a/k/a Airline Intelligence Systems, Inc.))
Baeta Corp.)
China Jiamny Fuel, Inc.)
Cordex Pharma, Inc.)
Diamondhead Casino Corporation)
Emerald Dairy, Inc., and)
kentucky Energy, Inc.)
)
Respondents.)
_____)



**ANSWER OF RESPONDENT DIAMONDHEAD CASINO CORPORATION
TO ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS AND
NOTICE OF HEARING PURSUANT TO SECTION 12(j) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Respondent, Diamondhead Casino Corporation, respectfully submits this Answer in response to the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 filed in the above-referenced Administrative Proceeding.

1. Paragraph 1 of the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 does not apply to this Respondent and this Respondent is without information to admit or deny the allegations of said Paragraph.

2. Paragraph 2 of the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 does not apply to this Respondent and this Respondent is without information to admit or deny the allegations of said Paragraph.

3. Paragraph 3 of the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 does not apply to this Respondent and this Respondent is without information to admit or deny the allegations of said Paragraph.

4. Paragraph 4 of the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 does not apply to this Respondent and this Respondent is without information to admit or deny the allegations of said Paragraph.

5. The Respondent denies that it is "a void Delaware Corporation," but admits the remainder of the allegations in the first sentence of Paragraph 5. The Respondent admits that it is delinquent with respect to certain "periodic" reports and that it has not filed a Form 10-Q since it filed a Form 10-Q for the period ended June 30, 2011, however, the Respondent maintains that it was unable to do so given the unique circumstances present in this particular case. The Respondent is without information to admit or deny the remaining allegations in the third sentence of Paragraph

5.

6. Paragraph 6 of the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 does not apply to this Respondent and this Respondent is without information to admit or deny the allegations of said Paragraph.

7. Paragraph 7 of the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 does not apply to this Respondent and this Respondent is without information to admit or deny the allegations of said Paragraph.

8. The Respondent denies the allegations of Paragraph 8 as to this Respondent. The Respondent is without information to admit or deny the allegations of said Paragraph 8 with respect to the remaining Respondents.

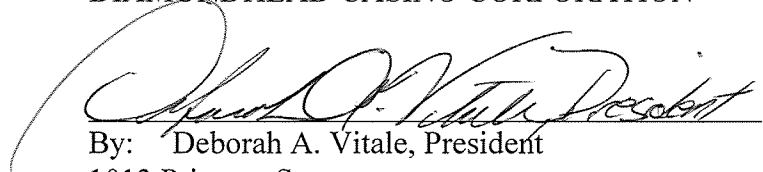
9. Paragraph 9 calls for a legal conclusion which cannot be admitted or denied.

10. The Respondent denies the allegations of Paragraph 10 as to this Respondent and is without information to admit or deny the allegations of said Paragraph as to the remaining Respondents.

11. The Respondent denies that it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each class of securities of Diamondhead Casino Corporation, registered pursuant to Section 12 of the Exchange Act identified in Section II of the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934, and any successor under Exchange Act Rules 12b-2 or 12g-3, and any new corporate names of this Respondent.

June 26, 2014

DIAMONDHEAD CASINO CORPORATION

A handwritten signature in cursive script, appearing to read "Deborah A. Vitale, President", is written over a horizontal line.

By: Deborah A. Vitale, President

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