

## MINORITY ENTREPRENEURS: NEW VOICES

Valerie Red-Horse

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By Julie Sloane



Valerie Red-Horse  
(Photo: Michael Grecco)

### Red-Horse Securities, Red-Horse Native Productions

*When you hear that Valerie Red-Horse was the spokesmodel for Disney's Pocahontas doll, your next thought probably isn't "I bet she has some serious business chops." But then, few investment bankers are simultaneously successful screenwriters, directors, producers, and actors. The daughter of a Cherokee father and a white mother, the 44-year-old is one of 11 Native American directors in the Directors Guild of America. Her first company, Red-Horse Native Productions, released Naturally Native, a film about contemporary Indian family life, at the Sundance Film Festival in 1998, and True Whispers, a documentary on the Navajo code talkers of World War II. She wants not only to promote accurate images of Native Americans but to change their reality as well. In 1998 she founded the only Native-owned investment bank, now called Red-Horse Securities, to assist tribes in raising capital—\$285 million in the past 12 months—for everything from casinos to new sewer systems. To date the firm has worked with 15 tribes. As an "urban Indian" in Los Angeles, Red-Horse is constantly on the road visiting reservations, using in-flight time to write screenplays. Temporarily grounded at her West Coast office, Red-Horse tells how her unlikely career came about.*

You have to turn something negative into something positive, and that's kind of the story of my life. My dream since childhood was to be an entertainment person—write, produce, act. I studied film and theater at UCLA. Everyone I knew became a waiter on the side, but instead I became an assistant at a stock brokerage, Drexel Burnham Lambert. At the time I didn't know what the heck high-yield bonds were. I graduated with my film and television degree but decided to stick around and learn about bonds from [Drexel junk-bond king] Michael Milken. I just loved finance. I worked my way up from assistant to office manager. In the late 1970s and early 1980s, the high-yield-bond department was focusing on casino financing. They worked with Steve Wynn during his first foray into casino building. It wasn't until 1988 that the Indian Gaming Regulatory Act came into place, which recognized the right of sovereign nations to operate casinos. I didn't know then how useful my financial experience would become.

In 1985, I left to pursue my entertainment career more seriously, but agents seemed to think there was no way I could be a star with the name Red-Horse. I fought it, but sure enough, the agents were right. I would get called only on auditions when the description of the role said "Native American woman, beading moccasins behind the teepee." One day a director said to me, "You sound too educated to play a Native American woman." And I was livid. I came home, and I just went off on a soapbox to my husband, who

finally said, "Why don't you write your own parts?" Bing. That launched me into writing, producing, and directing, and ultimately forming my production company.

I wasn't an A-list star, but to our people, seeing any Native on television—that's big. Natives don't see our people doing things to empower us. I felt compelled to travel to reservations and work with tribes and youth programs. Unlike in Hollywood, where I was embraced as a novelty, I discovered that there's some serious prejudice out there. I witnessed a Ku Klux Klan rally on the Nez Perce reservation in Idaho. I visited a tribe in Wisconsin where local hunters were shooting at Indians over a hunting-rights dispute—and this was in the '80s and '90s. In the course of my travels I had a meeting with Senator Daniel Inouye of Hawaii, and he felt that Native Americans needed two things: to control our image in the media and to control our money with our own investment bank. No other race has succeeded when other people have controlled those two things. His words felt like an arrow through the heart. Those are the two things I'd trained for. It all came together in one month, August 1997. I met investors who were willing to fund Red-Horse Securities, and the Pequot tribe voted to fund my entire film project, *Naturally Native*. Full steam ahead.

A Native American bank was sorely needed. The Indian gaming industry was a \$12 billion industry in 2002. There are some sharks out there. When tribes approach investment banks, they often get taken advantage of or eaten up because they don't yet have the experience of being a major player. They don't say, "What's your best offer? What can you do for me?" the way Steve Wynn would, so they get cookie-cutter deals. Banks don't give them priority attention. The tribes don't understand the process of being in control of their assets. Red-Horse Securities understands the Indian side, but we also understand the Wall Street side. We push the Street to get the best deal for the tribe and then explain everything to the tribe so that it can control what's going on. I spend so much time doing Finance 101 with these folks.

We do a lot of work with casino financing, but we also do a lot of infrastructure projects. In October we closed a \$5 million bond deal to enable the Bad River Tribe of Wisconsin to buy back its ancestral homeland, which had been ruined by the timber industry. It was so thrilling for us because we felt we weren't just doing a financial transaction—we were empowering a nation. We're also co-managing a \$200 million bond deal for a casino in California, along with a large investment bank. We are the liaison to the tribe and will help it understand everything that happens. At the same time we are helping the larger bank learn all the cultural nuances of dealing with tribal councils and resolutions.

Native Americans are still so misunderstood. We are diverse—we have 562 nations. We're funny, we have different languages and spirituality, and we're sovereign governments. When I go into the schools and see what kids are being taught, it's the Pilgrim story. There are inaccuracies everywhere. I feel that until there is more exposure to accurate portrayals of Native Americans, we are going to suffer seriously.

For years my oldest daughter made fun of me for running off to reservations and trying to change the world. Now she's at Stanford, enrolled in every Native class and a member of the Native group. She wants to major in economics so that she can get into development work with tribal nations. Maybe I'll see change through her. Maybe what I'm doing is just planting seeds. I know my family suffers for all the time that I'm traveling and working, but I think in the end they will see that Mommy had a purpose.