

Haynes Boone Advises Arch Lending in Galaxy's Groundbreaking \$75 Million Tokenized CLO Transaction

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PRACTICES Digital Assets, Blockchain and Cryptocurrency, Financial Regulatory

Haynes Boone served as legal counsel to Arch Lending in connection with Galaxy Digital's successful closing of Galaxy CLO 2025-1, a tokenized collateralized loan obligation (CLO) structured on the Avalanche blockchain. The transaction represents a pioneering step in bringing institutional securitization structures onchain and marks a significant innovation in digital asset-backed lending markets.

Partner [Alex Grishman](#), who co-chairs the Haynes Boone Digital Assets and Blockchain – Financial Transaction and Regulatory Group, led the firm's representation of Arch Lending, with support from Counsel [Eitan Stavsky](#). The team advised Arch on all aspects of its role as borrower under the credit facility financed by the CLO proceeds.

The tokenized CLO is financing an uncommitted credit facility provided to Arch Lending, a leading crypto lending platform backed by Galaxy Ventures that offers consumer loans overcollateralized with Bitcoin, Ethereum and other digital assets. Proceeds from the CLO are being used to progressively purchase outstanding loans originated under the credit facility, with approximately \$75 million financed to date and the capacity to scale up to \$200 million as additional loans are originated.

"This transaction demonstrates the growing convergence of traditional finance structures and decentralized technology," Grishman said. "We're proud to support Arch Lending in this cutting-edge deal, which leverages tokenization to offer real-time transparency, enhanced liquidity and increased investor accessibility."

Galaxy's CLO is among the first of its kind to be fully tokenized, with debt tranches issued on the Avalanche blockchain and distributed through INX's ATS platform.

The transaction builds on Haynes Boone's track record guiding financial institutions and fintech innovators through emerging digital asset structures, including blockchain-based securitizations, crypto-collateralized lending and tokenized financing platforms.

Haynes Boone's [Digital Asset, Blockchain and Cryptocurrency Group](#) counsels global financial institutions, fintech firms and emerging companies on complex transactions across the digital asset ecosystem. With experience spanning crypto lending, tokenized financings, decentralized platforms and regulatory compliance, the group helps clients structure first-of-their-kind deals while navigating evolving legal frameworks in the U.S. and abroad.