

XCMG Faces **Legal Action** in North America

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In March 2026, the Supreme Court of British Columbia granted a \$32.5 million Mareva injunction against XCMG Canada and associated entities in a case titled Wild Timber et al. v. XCMG Canada et al.. A Mareva injunction is an urgent order that freezes assets to prevent a defendant from moving them out of the jurisdiction, ensuring they are available to satisfy a potential judgment.

*** Key Allegations: The legal action, filed by multiple dealers, involves accusations of:**

- **Serial Number Tampering:** Allegations that equipment serial numbers were altered.
- **Unfulfilled Warranties:** Failure to honor warranty payments.
- **Quality and Safety Concerns:** Issues regarding the quality and safety of XCMG-manufactured equipment.

The litigation has led to significant fallout, including a "Notice of Intention to Enforce Security" from XCMG Financial against at least one Canadian dealer.

The plaintiffs also allege that XCMG's failure to pay warranty claims led to severe cash flow issues for Canadian dealers, prompting insolvency filings.

Given XCMG's size, this case could have major implications for the equipment industry throughout North America.

We specialize in helping manufacturers and dealers avoid these disputes (and win them if they arise). Feel free to contact us if we can help.

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