Copay HD Multisig Address Derivation and Manual Transaction Creation (Draft 1)

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Overview

After the unfortunate shutdown of Coinkite, I realized that I did not actually know how to recover the value I had stored in Multisig accounts (or derive the addresses containing the value) even when in possession of sufficient information. This document is a result of the frustration I encountered when trying to remedy that and my attempt to make sure I can recover value independently of any particular service. If this type of document exists somewhere, I unfortunately did not find it. Hopefully it can save someone else the substantial amount of time it took me to figure this out.

Disclaimer

There are likely some errors, so take everything with a grain of salt. This document was written to cover my particular situation and focuses on BitPay's Copay wallet; however, the tools I used are not BitPay specific. They are all available on GitHub and will run offline.

Example Setup

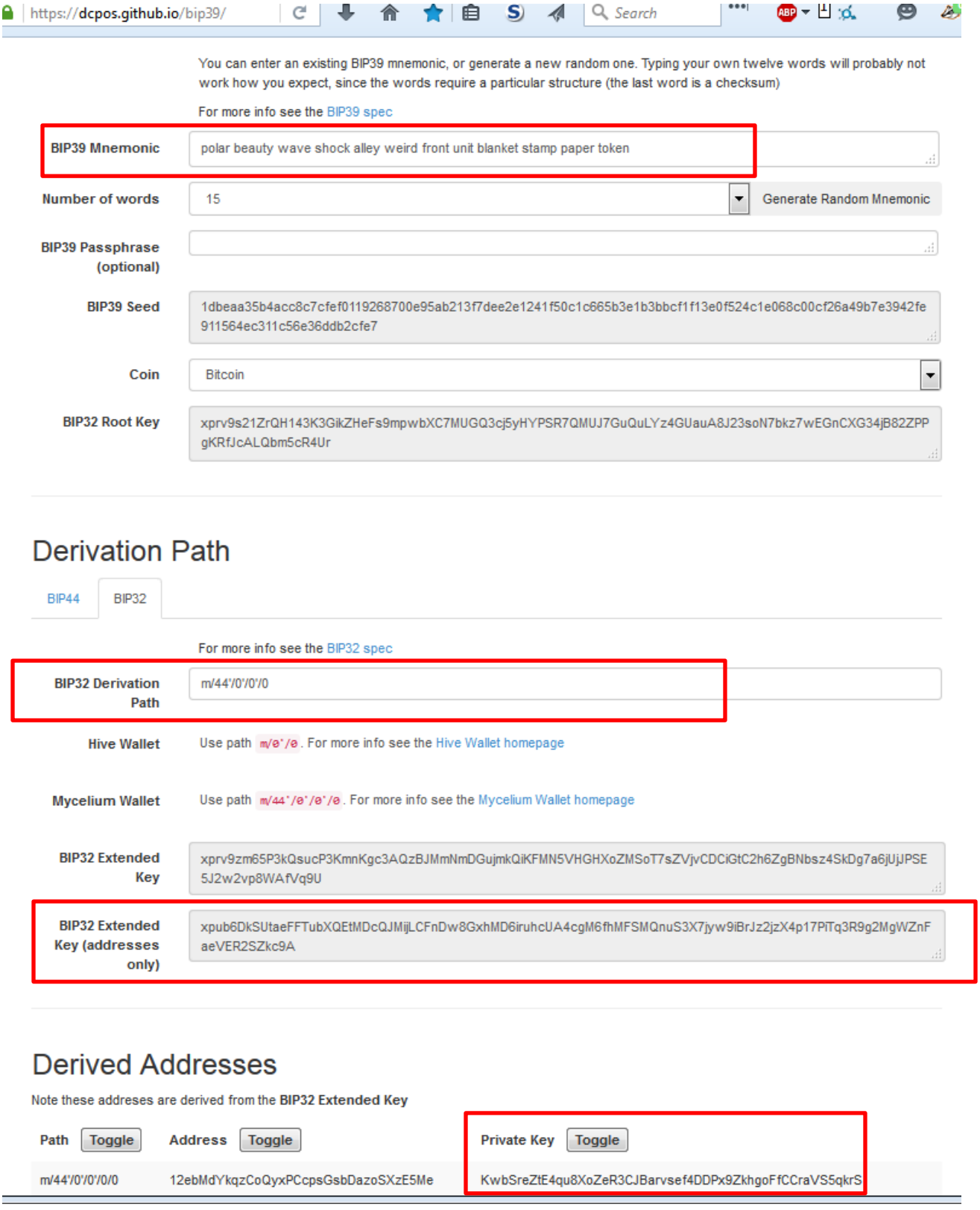
I created a 2-of-3 Copay Multisig wallet for testing. Feel free to use the same wallet to follow the document if you like, but do not transfer any bitcoin to it (unless you don't want it).

Backup Mnemonics for 2-of-3 Multisig Copay wallet used for this example:

- Copayer 0 - **polar beauty wave shock alley weird front unit blanket stamp paper token**
- Copayer 1 - **world modify train layer core grain crash come slush spare round uniform**
- Copayer 2 - **blind pear reveal wood illegal rent trip neither unfair ticket bubble lesson**

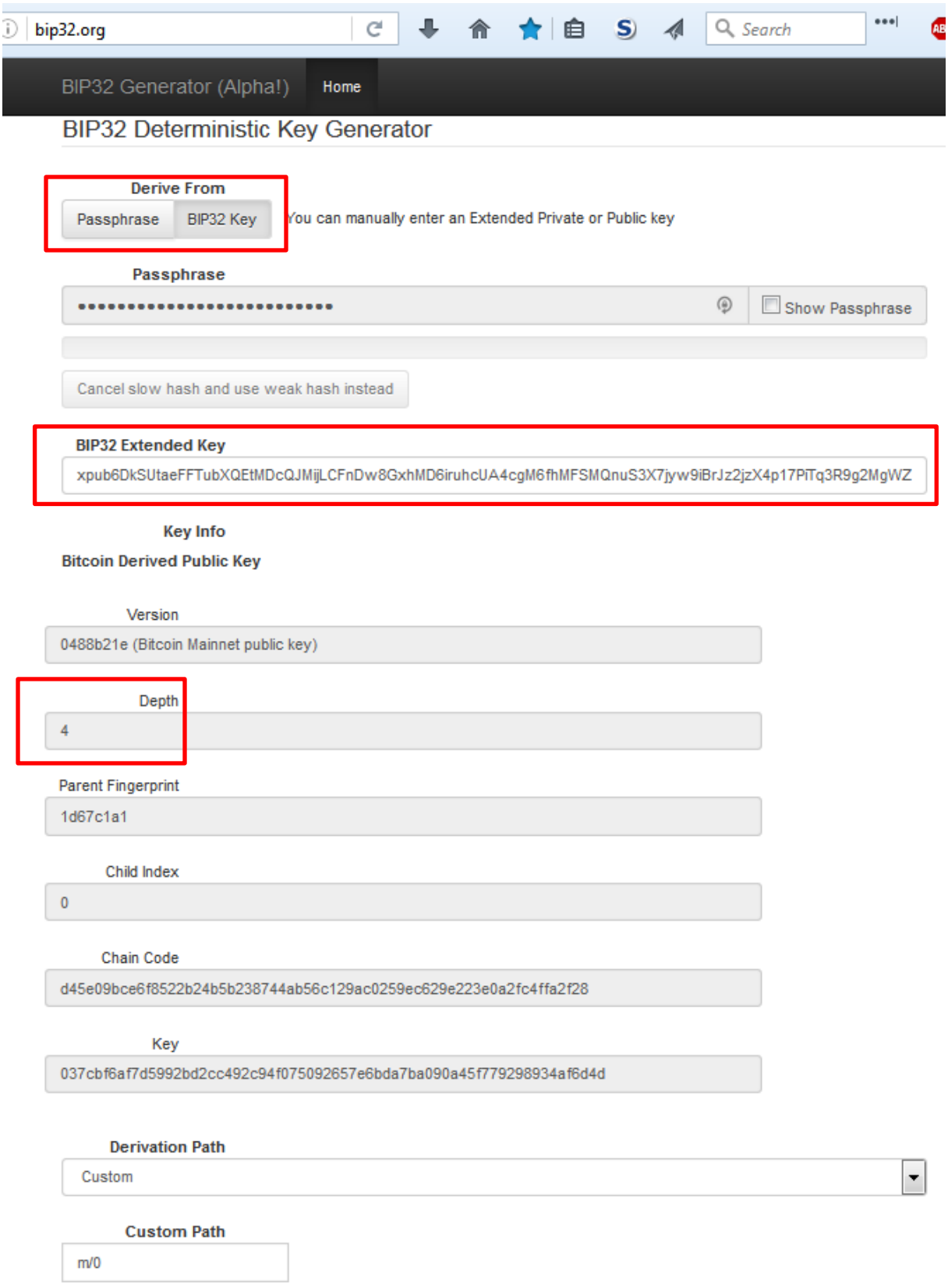
Mnemonic to BIP32 Extended Key

1. Enter mnemonic (recovery words) for the cosigner into the **BIP39 Mnemonic** field on https://dcpos.github.io/bip39/
2. Under **Derivation Path**, select the **BIP32** tab and set the **BIP32 Derivation Path** to ***m/44'/0'/0'/0*** *
3. Copy the **BIP32 Extended Key (addresses only)** field *
4. Note the **Private Key** column under **Derived Addresses** – this is necessary to sign a manually created transaction

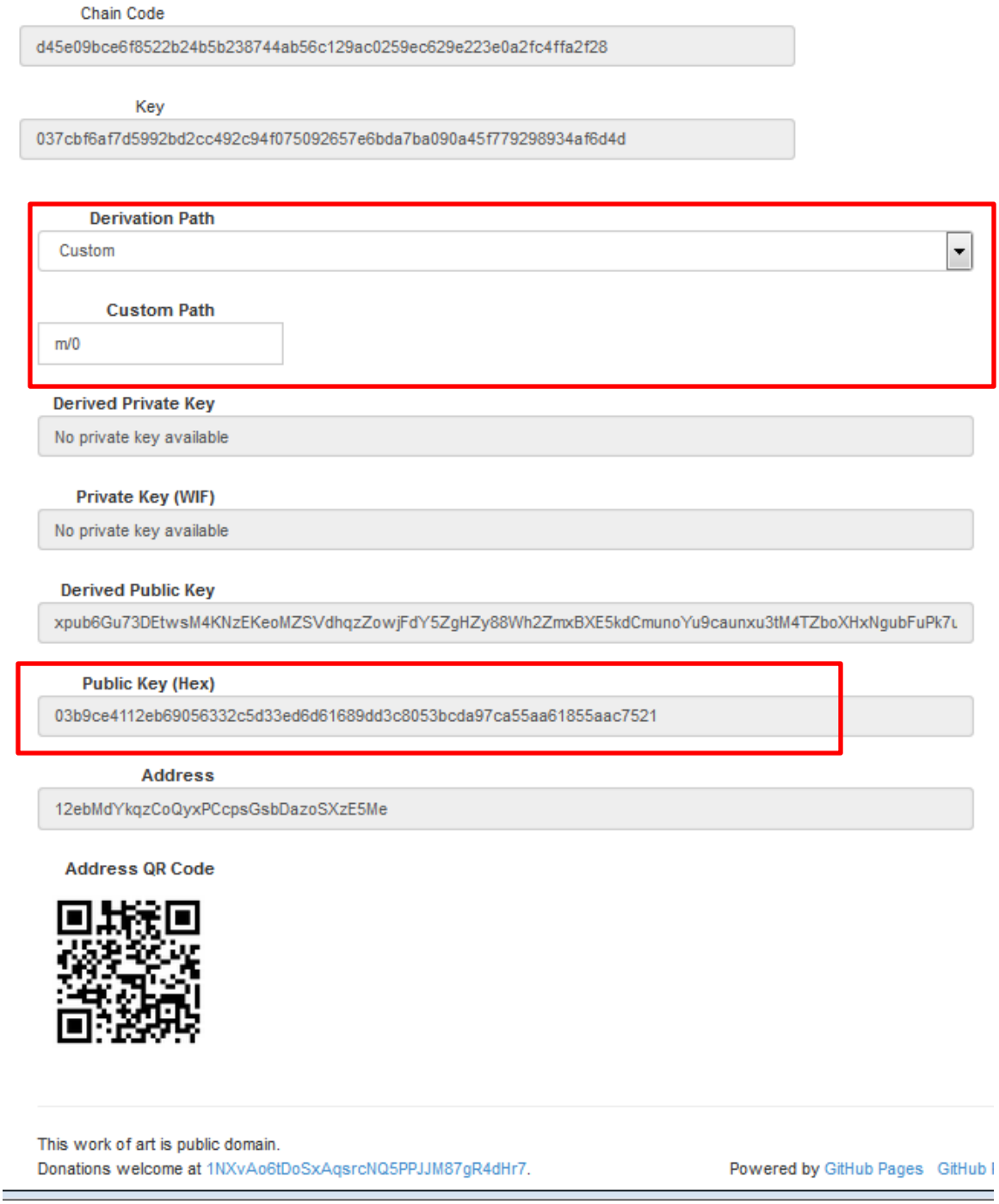


BIP32 Key to Public Key

5. Open http://bip32.org/ and change the **Derive From** option to ***BIP32 Key***
6. Enter the BIP32 Extended Key
    a. The Depth should be 4 (if it is 0, the BIP32 Root Key was copied in step 3 instead of the BIP32 Extended Key)



7. Change the **Derivation Path** to ***Custom***
8. Change the **Custom Path** field to ***m/0*** to get the details for the first Key (2nd key is m/1, 3rd is m/2, etc.)
    a. Note that the full path of this key is m/44'/0'/0'/0/0 because path m/0 of the BIP32 Extended key m/44'/0'/0'/0 (from Steps 2 and 3) was used



9. Copy the **Public Key (Hex)** field and save it for use later when creating the multisig address
10. Go back to Step 1 and repeat for the next cosigner until the Public key for all cosigners has been obtained
    a. The same derivation path must be used for each cosigner key in order to generate the multisig address used by the wallet (i.e. m/44'/0'/0'/0/0 from all cosigners)
11. Once public keys are found for all cosigners, continue with step 12.

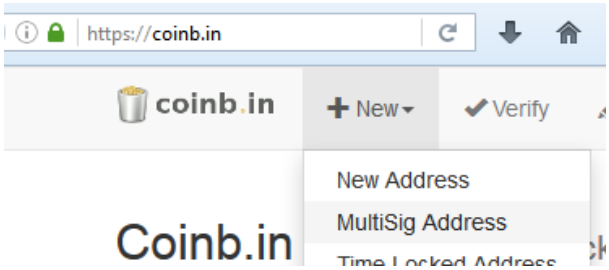
Public Keys to Multisig Addresses

12. The multisig address is based on the Public Keys of each copayer. The order of the keys is critical – entering the same keys in a different order results in a different multisig address. To get the address that corresponds to the one generated by the Copay wallet, the Public Keys are sorted from smallest to largest numerically
    a. For these keys the order is 023…, 039…, 03b… because 023… < 039… < 03b… as shown in the adjusted table below

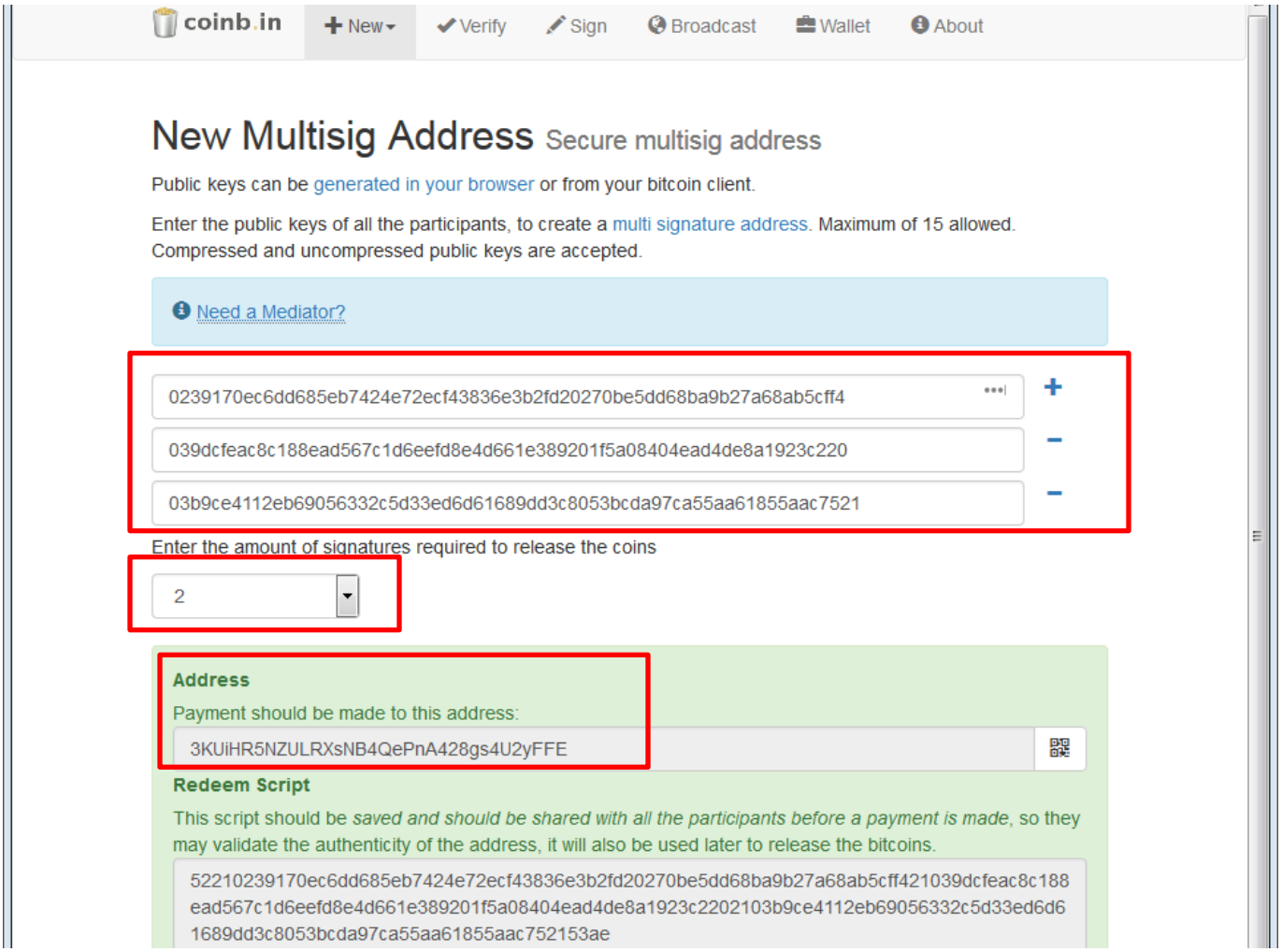
Information from Derivation path m/44'/0'/0'/0/0		
Copayer	**Address**	**Public Key (Hex)**
0	12ebMdYkqzCoQyxPCcpsGsbDazoSXzE5Me	03b9ce4112eb69056332c5d33ed6d61689dd3c8053bcda97ca55aa61855aac7521
1	14CyHaVetHyADBpUyrax3wVPkDoJvSvbUj	0239170ec6dd685eb7424e72ecf43836e3b2fd20270be5dd68ba9b27a68ab5cff4
2	12u5XXV2YYPbTLbiqwqcidiQmruFyFH2Gx	039dcfeac8c188ead567c1d6eefd8e4d661e389201f5a08404ead4de8a1923c220

Sorted by Public Key (Hex) smallest to largest		
Copayer	**Address**	**Public Key (Hex)**
1	14CyHaVetHyADBpUyrax3wVPkDoJvSvbUj	0239170ec6dd685eb7424e72ecf43836e3b2fd20270be5dd68ba9b27a68ab5cff4
2	12u5XXV2YYPbTLbiqwqcidiQmruFyFH2Gx	039dcfeac8c188ead567c1d6eefd8e4d661e389201f5a08404ead4de8a1923c220
0	12ebMdYkqzCoQyxPCcpsGsbDazoSXzE5Me	03b9ce4112eb69056332c5d33ed6d61689dd3c8053bcda97ca55aa61855aac7521

13. Go to https://coinb.in and select New -> MultiSig Address (or https://coinb.in/#newMultiSig)

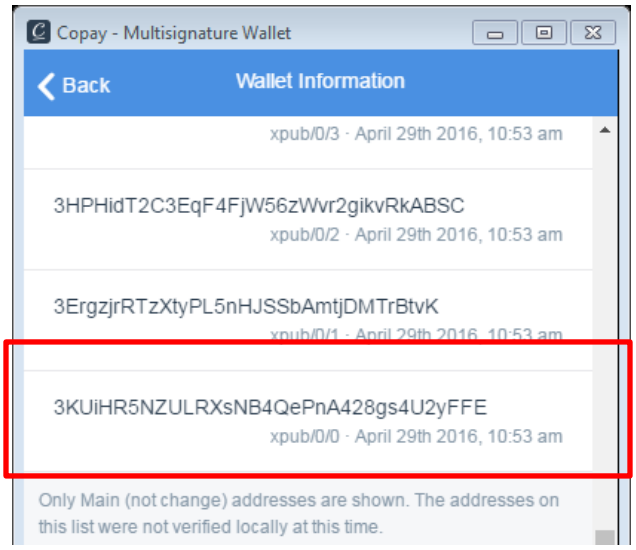


14. Enter the Public Keys in the sorted order, select the number of signatures required (in this example, it was a 2-of-3 wallet, so the amount of signatures required is 2), and Click **Submit**
    a. Link to the address generated in this example: https://coinb.in/?verify=52210239170ec6dd685eb7424e72ecf43836e3b2fd20270be5dd68ba9b27a68ab5cff421039dcfeac8c188ead567c1d6eefd8e4d661e389201f5a08404ead4de8a1923c2202103b9ce4112eb69056332c5d33ed6d61689dd3c8053bcda97ca55aa61855aac752153ae#verify



Redeem Script (this is necessary to manually create a spend transaction):
52210239170ec6dd685eb7424e72ecf43836e3b2fd20270be5dd68ba9b27a68ab5cff421039dcfeac8c188ead567c1d6eefd8e4d661e389201f5a08404ead4de8a1923c2202103b9ce4112eb69056332c5d33ed6d61689dd3c8053bcda97ca55aa61855aac752153ae

15. The returned address is **3KUiHR5NZULRXsNB4QePnA428gs4U2yFFE** which matches xpub/0/0 shown in Copay -> Wallet Preferences -> Advanced -> Wallet Information



Recovering funds by manually constructing a transaction

This step assumes that the redeem script has already been obtained using the steps above and the private keys are available (see Mnemonic to BIP32 Extended Key section regarding obtaining private keys). For the example, the bitcoin associated with xpub/0/10 will be transferred to a new address.

Derivation Path: M/44'/0'/0'/0/10

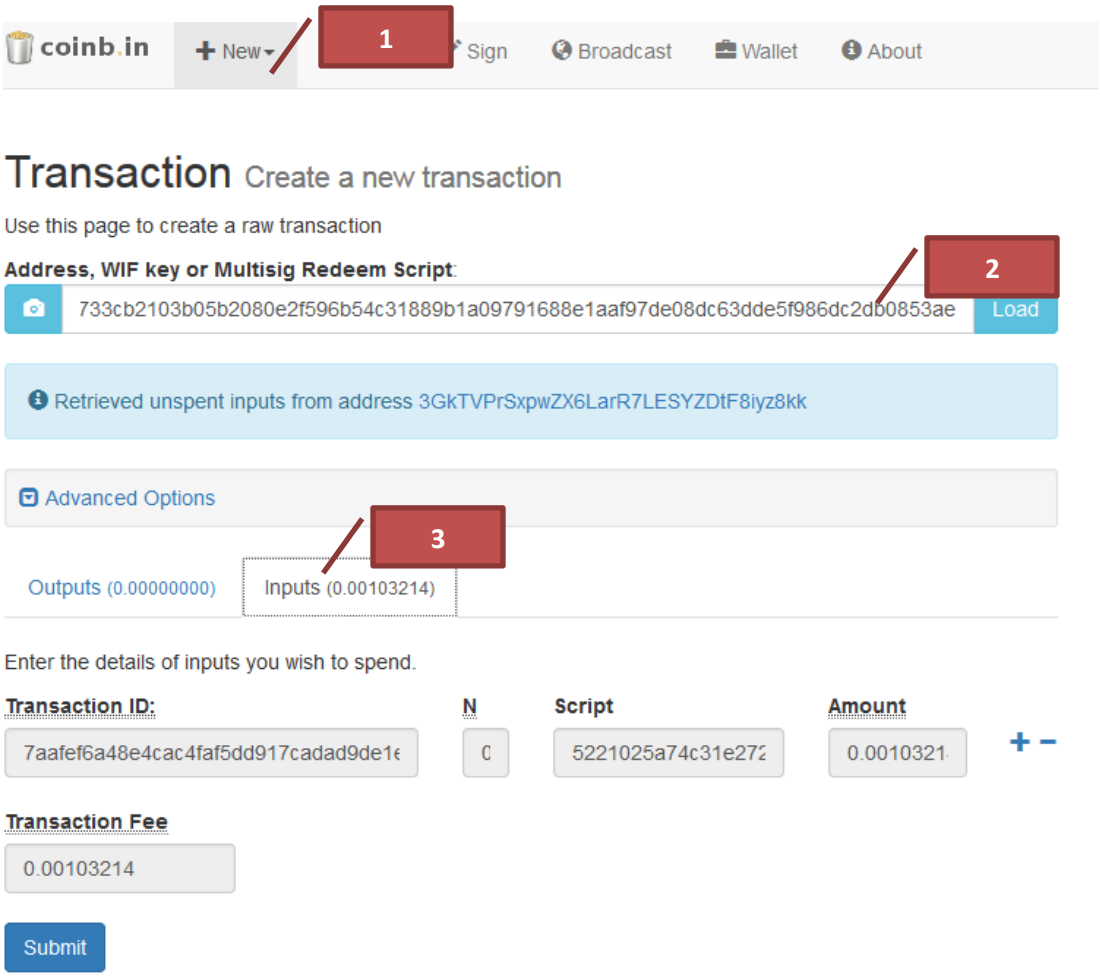
Multisig Address: 3GkTVPrSxpwZX6LarR7LESYZDtF8iyz8kk

Redeem script (Coinb.in Verify Page):

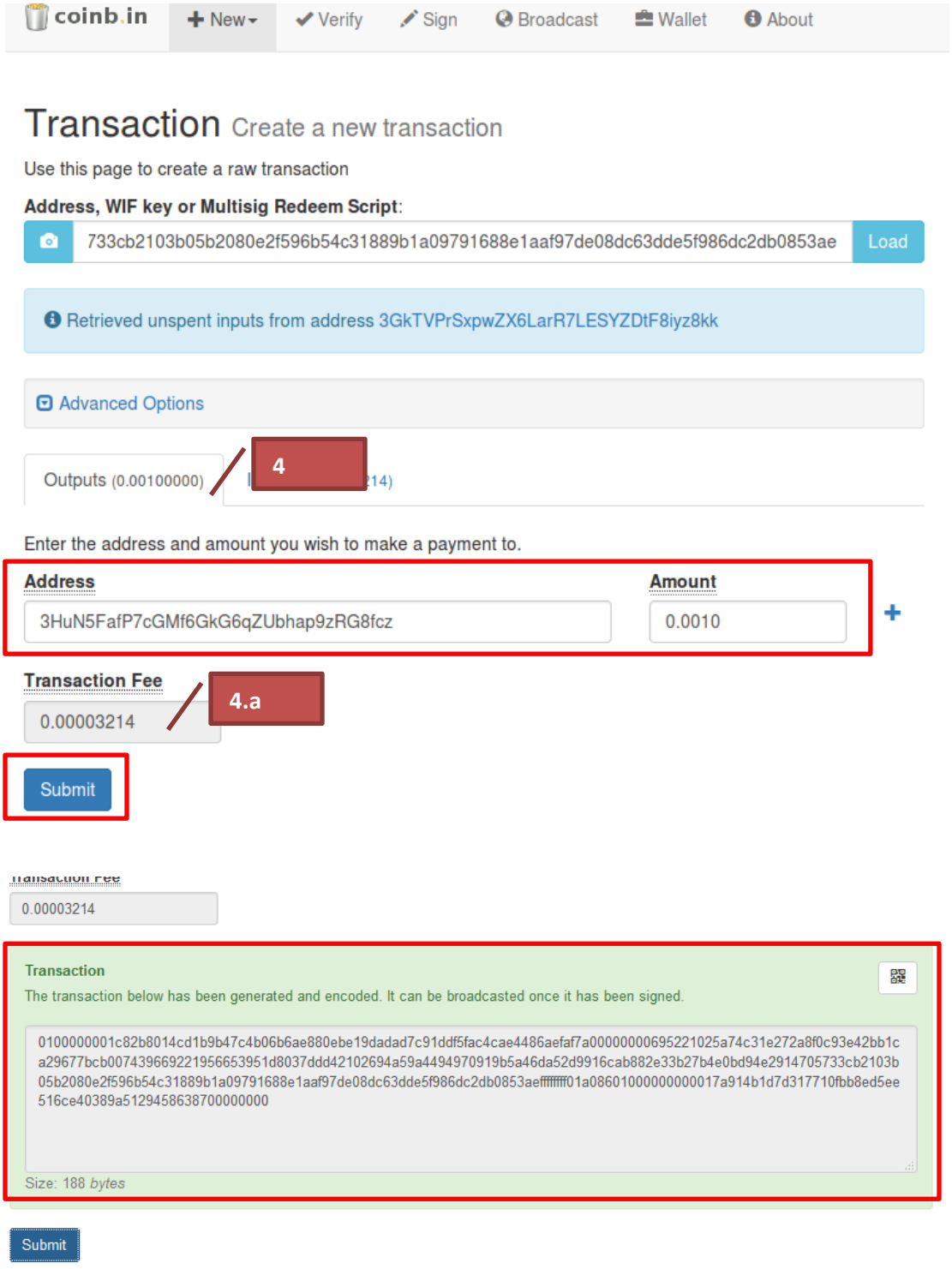
5221025a74c31e272a8f0c93e42bb1ca29677bcb00743966922195665395 1d8037ddd42102694a59a4494970919b5a46da52d9916cab882e33b27b4e0bd94e2914705733cb2103b05b2080e2f596b54c31889b1a09791688e1aaf97de08dc63dde5f986dc2db0853ae

Create the Spend Transaction

1. On coinb.in, Click **New** -> **Transaction**
2. Paste the redeem script into the **Address, WIF key or Multisig Redeem Script:** field and click **Load**
3. Once the unspent funds inputs are retrieved, click on the **Inputs** tab to see the details



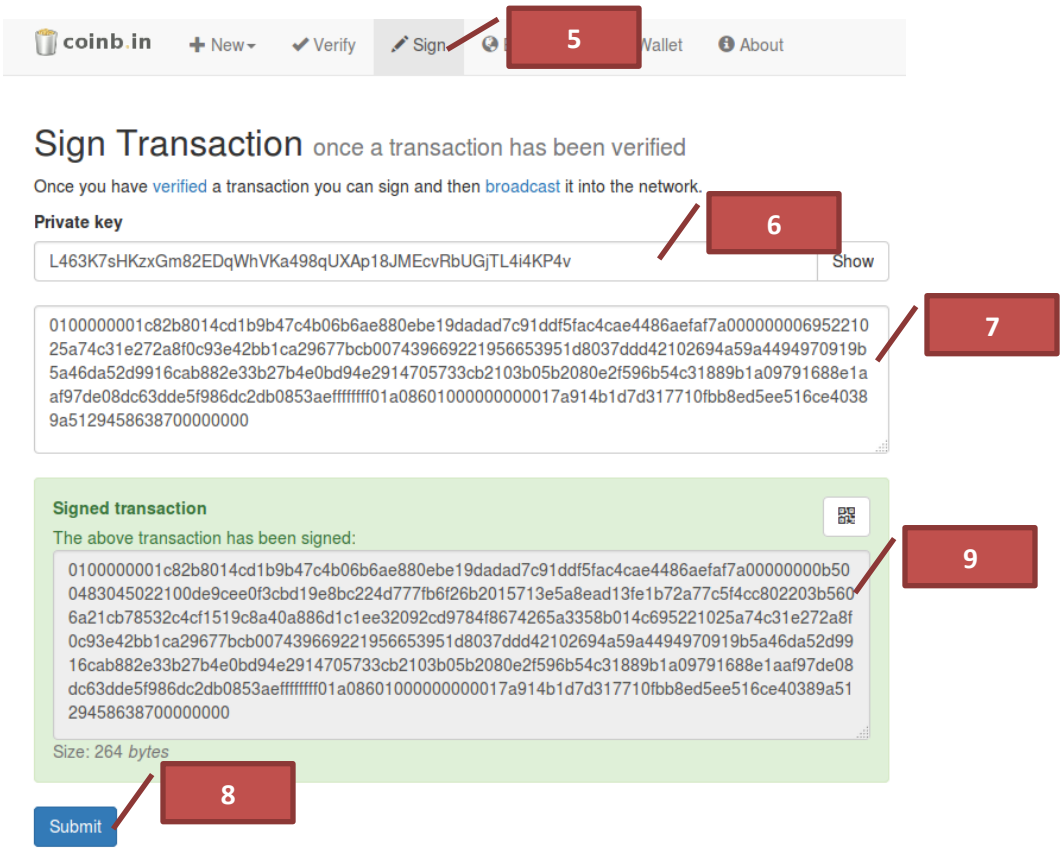
4. Click the **Outputs** tab, enter the address and amount for each destination (can be split and sent to multiple destinations), then click **Submit** to generate the unsigned transaction.
    a. WARNING: make sure the Transaction Fee is a reasonable amount



Unsigned Transaction:
0100000001c82b8014cd1b9b47c4b06b6ae880ebe19dadad7c91ddf5fac4cae4486aefaf7a00000000695221025a74c31e272a8f0c93e42bb1ca29677bcb007439669221956653951d8037ddd42102694a59a4494970919b5a46da52d9916cab882e33b27b4e0bd94e2914705733cb2103b05b2080e2f596b54c31889b1a09791688e1aaf97de08dc63dde5f986dc2db0853aeffffffff01a08601000000000017a914b1d7d317710fbb8ed5ee516ce40389a5129458638700000000

Sign the Spend Transaction

5. Click on the **Sign** menu item
6. Paste the private key for one of the associated multisig account members – Copayer 2 shown here (Note: Private keys are normally hidden – the Show button was clicked for this example).
    a. The key must correspond to the derivation path determined by the multisig address – M/44'/0'/0'/0/10 in this case).
7. Paste the unsigned transaction
8. Click **Submit** to sign the transaction with the private key
9. A new signed transaction will be displayed

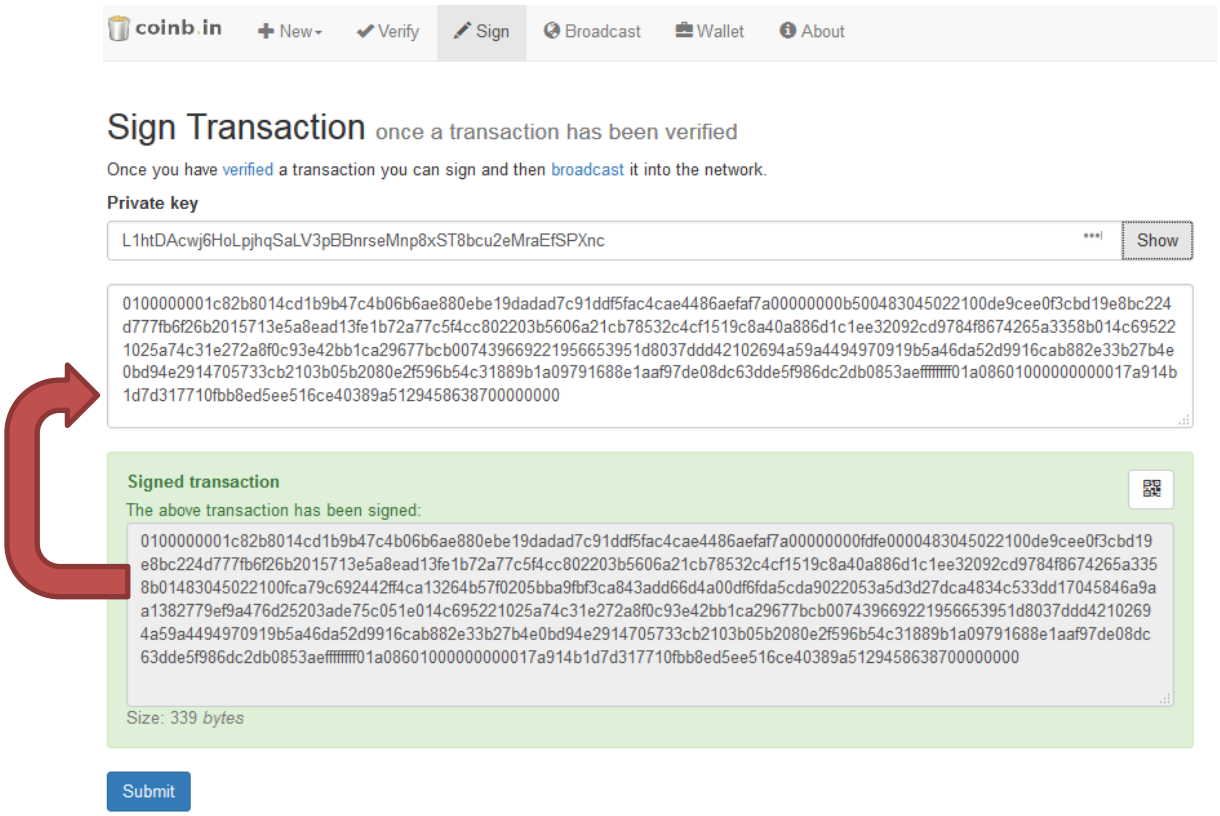


Information from Derivation path m/44'/0'/0'/0/10		
Copayer	**Address**	**Private Key**
0	1N7bBvso3QXc4VWEi7nLCqFGP8p9yqy56z	L1htDAcwj6HoLpjhqSaLV3pBBnrseMnp8xST8bcu2eMraEfSPXnc
1	1PwM4YaFBsoKhEF7RiqLL8bZQmuRKydrEX	L4EYTAxJ8grT6xKGW9bcghVYWrvBCadSc4boCZicWB4GnGEx8m2H
2	1D3CsVtskAqDAkW2r2tPjm9hFnpQjpKm2x	L463K7sHKzxGm82EDqWhVKa498qUXAp18JMEcvRbUGjTL4i4KP4v

New transaction (Original transaction signed with the private key from the Copayer 2)

0100000001c82b8014cd1b9b47c4b06b6ae880ebe19dadad7c91ddf5fac4cae4486aefaf7a00000000b5004830450
22100de9cee0f3cbd19e8bc224d777fb6f26b2015713e5a8ead13fe1b72a77c5f4cc802203b5606a21cb78532c4cf1
519c8a40a886d1c1ee32092cd9784f8674265a3358b014c695221025a74c31e272a8f0c93e42bb1ca29677bcb007
439669221956653951d8037ddd42102694a59a4494970919b5a46da52d9916cab882e33b27b4e0bd94e2914705
733cb2103b05b2080e2f596b54c31889b1a09791688e1aaf97de08dc63dde5f986dc2db0853aeffffffff01a0860100
0000000017a914b1d7d317710fbb8ed5ee516ce40389a5129458638700000000

10. If the minimum number of signers has not been met (i.e. 2 out of 3 for this account), copy the new signed transaction and paste it into the script field, then sign the new transaction with the next private key



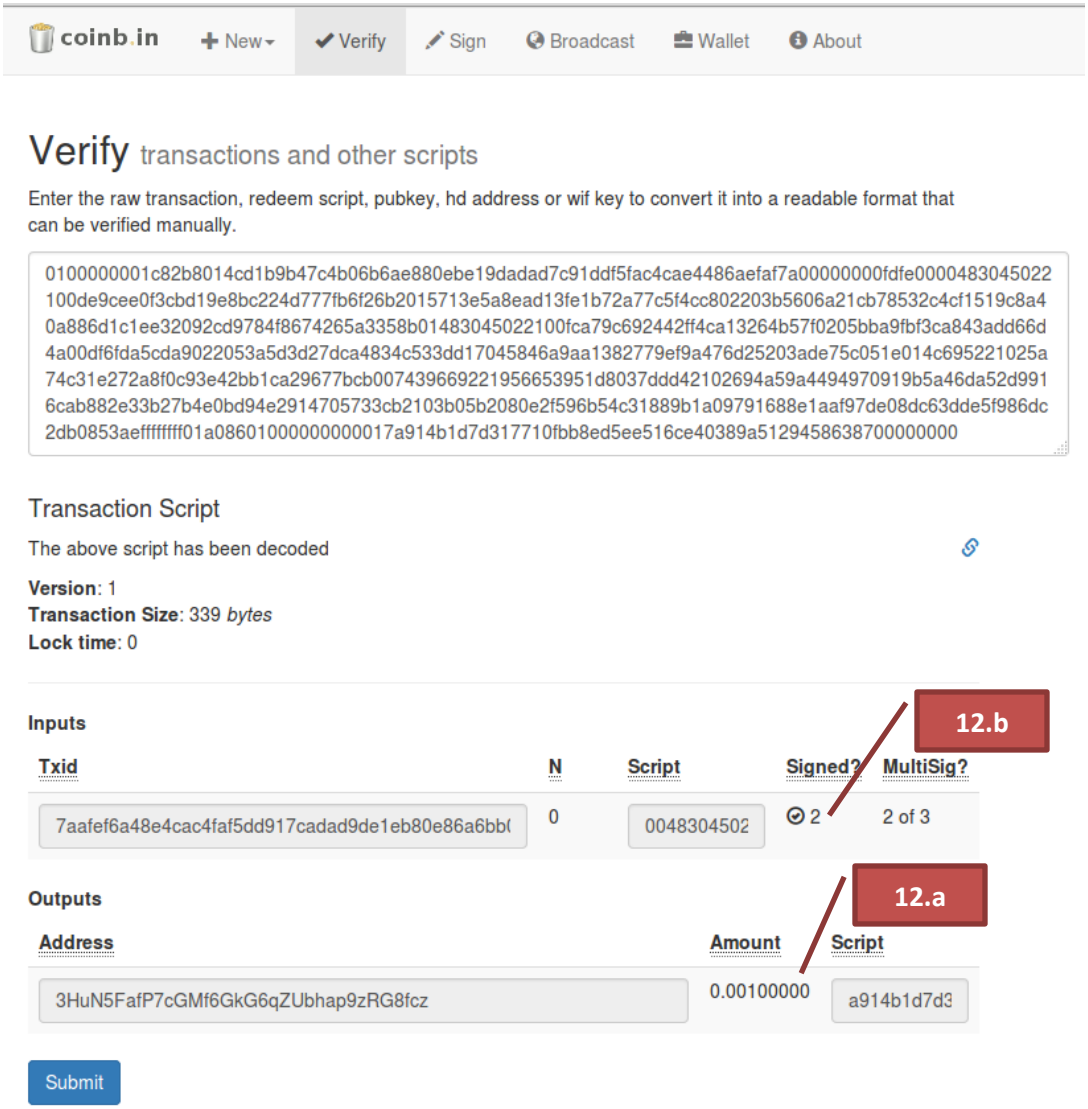
New Transaction 2 (First signed transaction signed by Copayer 0)

0100000001c82b8014cd1b9b47c4b06b6ae880ebe19dadad7c91ddf5fac4cae4486aefaf7a00000000fdfe0000483045022100de9cee0f3cbd19e8bc224d777fb6f26b2015713e5a8ead13fe1b72a77c5f4cc802203b5606a21cb78532c4cf1519c8a40a886d1c1ee32092cd9784f8674265a3358b01483045022100fca79c692442ff4ca13264b57f0205bba9fbf3ca843add66d4a00df6fda5cda9022053a5d3d27dca4834c533dd17045846a9aa1382779ef9a476d25203ade75c051e014c695221025a74c31e272a8f0c93e42bb1ca29677bcb007439669221956653951d8037ddd42102694a59a4494970919b5a46da52d9916cab882e33b27b4e0bd94e2914705733cb2103b05b2080e2f596b54c31889b1a09791688e1aaf97de08dc63dde5f986dc2db0853aeffffffff01a08601000000000017a914b1d7d317710fbb8ed5ee516ce40389a5129458638700000000

11. Repeat step 10 until a sufficient number of keys have signed the transaction

Verify the Spend Transaction

12. Click on **Verify**, paste the signed transaction into the field, and click **Submit**
    a) Check the transaction info (address, amount, etc.)
    b) Verify that it has been signed by at least the minimum number of signers



Broadcast the Spend Transaction

WARNING

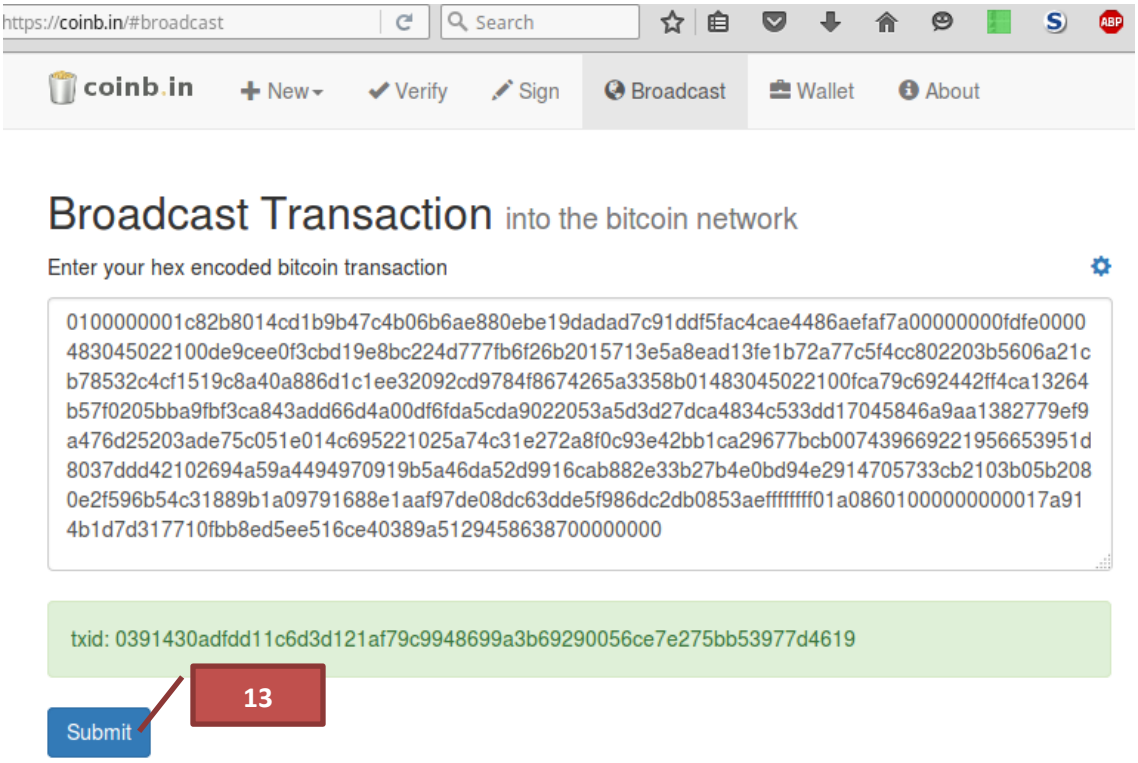
THE NEXT STEP TRANSMITS THE TRANSACTION TO THE BITCOIN NETWORK. MISTAKES IN THE TRANSACTION WILL BE IRREVOCABLE ONCE THE TRANSACTION IS BROADCAST.

DO NOT DO THIS UNTIL YOU HAVE DOUBLE CHECKED THE DESTINATION ADDRESSES AND AMOUNTS.

***** REMEMBER THAT ANY AMOUNT NOT EXPLICITLY SENT TO A NEW ADDRESS WILL BE BECOME PART OF THE TRANSACTION FEE (I.E. IT WILL GO TO THE MINER, NOT TO YOU OR YOUR INTENDED RECIPIENT). *****

13. Read the warning shown above – especially the part regarding the fee. Do not send a transaction where all or most of you bitcoin is in the fee (for example - https://www.reddit.com/r/Bitcoin/comments/1s9nb8/guy_sent_a_1_btc_fee_by_accident/)

14. If you are certain the transaction is correct, Click **Broadcast**, paste the transaction, and click **Submit**
    a. If the transaction is successfully broadcast, the txid will be displayed. Otherwise an error will be displayed.



15. At this point, the transaction should be recognized by the receiving wallet and viewable on a block explorer like Blockchain.info, block.io, etc. - https://blockchain.info/tx/0391430adfdd11c6d3d121af79c9948699a3b69290056ce7e275bb53977d4619

Additional Notes

Step 2

- For Copay, *m/44'/0'/0'**/0*** is the derivation path for main addresses. Change addresses are derived from *m/44'/0'/0'**/1***. This was found (at the time of writing) in the source for the Copay Recovery (https://github.com/bitpay/copay-recovery/blob/gh-pages/js/services.js#L125).

```
120
121     var PATHS = {
122       'BIP45': ["m/45'/2147483647/0/", "m/45'/2147483647/1/"],
123       'BIP44': {
124         'testnet': ["m/44'/1'/0'/0/", "m/44'/1'/0'/1/"],
125         'livenet': ["m/44'/0'/0'/0/", "m/44'/0'/0'/1/"]
126       },
127     }
```

- Use ***m/44'/1'/0'*** for Testnet. Not sure why Mainnet requires an added **/0** on the end

Step 3 - Note: the BIP32 Extend Key could also be used but using the public "addresses only" key avoids exposing the private key

References

BIP 39 Mnemonic Code Converter

- GitHub Repository - https://github.com/dcpos/bip39
- Online version - https://dcpos.github.io/bip39/

BIP32 Deterministic Key Generator

- GitHub Repository - https://github.com/bip32/bip32.github.io
- Online Version - http://bip32.org/

Coinbin

- GitHub Repository - https://github.com/OutCast3k/coinbin/
- Online Versions - https://coinb.in/ or http://4zpinp6gdkjfplhk.onion/ (Tor only)

Bitcore Playground - https://bitcore.io/playground/

Copay Recovery Tool

- GitHub Repository - https://github.com/bitpay/copay-recovery
- Online Version - https://bitpay.github.io/copay-recovery/