MORBID STERN BIT PROVES COSTLY

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Howard Stern doesn't mind paying for jokes, but one morbid gag may have cost more than expected. Lawyers for the shock jock and Infinity Broadcasting yesterday reached an out-of-court settlement with the brother and sister of a deceased woman whose ashes Stern played with on his show. In 1996, Melissa Roach Driscoll and Jeff Roach filed an \$8 million suit in Kings County Court claiming Stern caused them emotional distress with his actions involving the remains of their sister, regular Stern guest Deborah Tay, a cable personality and exotic dancer whose given name was Deborah Roach. Tay died in April 1995 of a heroin overdose. Three months later, her boyfriend, Steppin' Out magazine editor Chaunce Hayden, brought her ashes to Stern's studio for an on-air memorial. Stern did dedicate the show to her "loving memory," but also "offered to glue her together," told Hayden to chew pieces of the bone fragments and picked up a piece of bone, exclaiming, "Look at the size of this! That looks like a piece of her head.

[&]quot; The woman's siblings weren't amused and sued Stern, Infinity Broadcasting and Hayden. A lower court dismissed the suit, but an appellate court reinstated it in 1998. A source tells us that, after all the legal wrangling, Tay's family was prepared to accept around \$60,000, while Stern's lawyers initially were offering around \$30,000. Lawyers for both sides declined to comment. Terms of the settlement are confidential. But a court source said lawyers for Tay's kin "were smiling" when they left the Brooklyn courthouse.